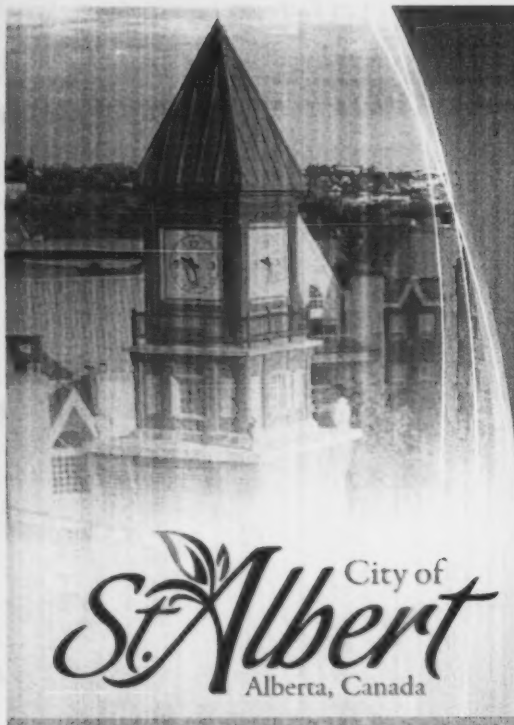
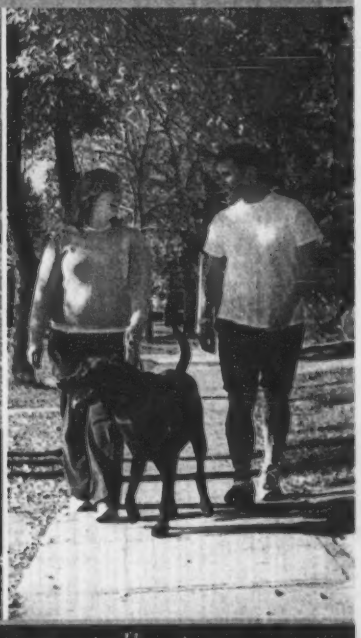


City of St. Albert
Alberta, Canada

2010

CITY OF ST. ALBERT ANNUAL REPORT



For the Year Ended December 31, 2010

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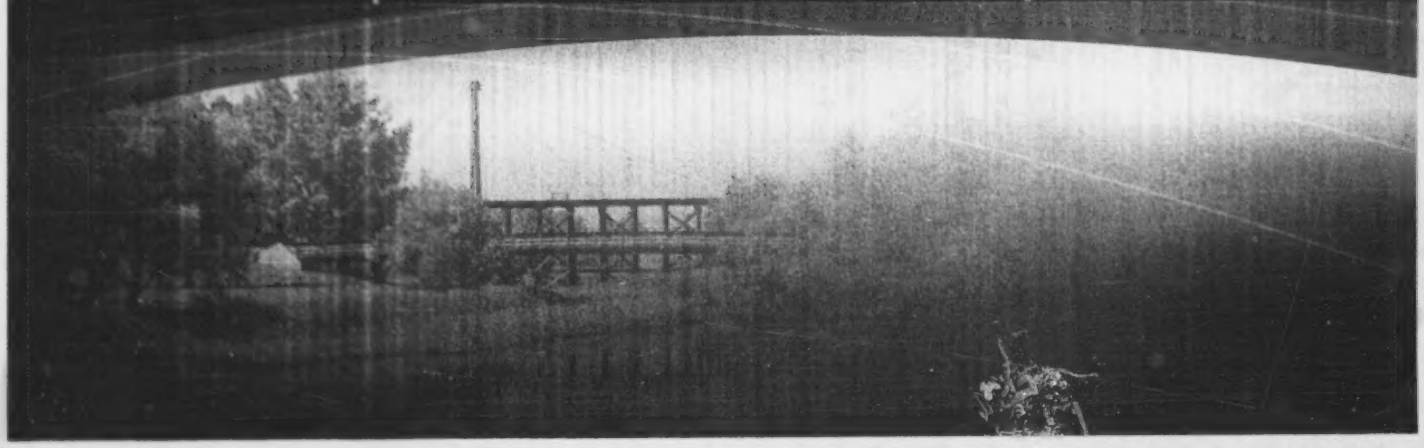
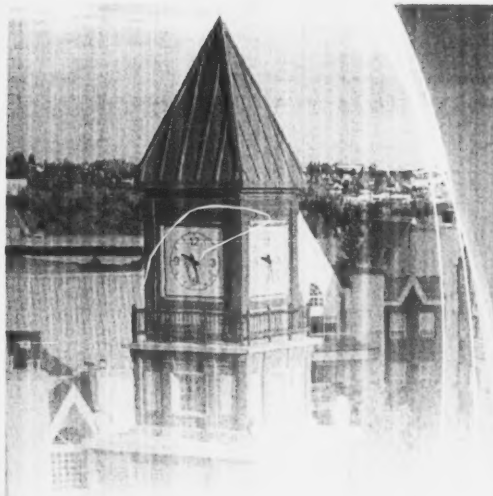
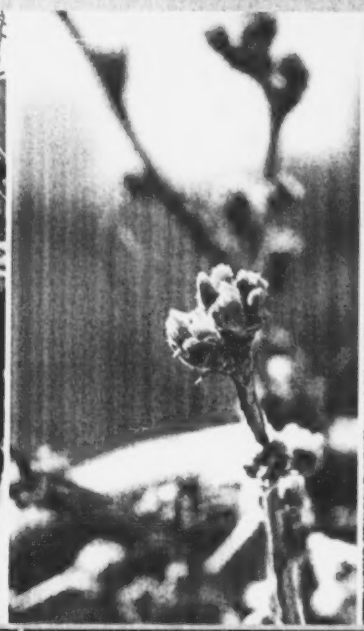
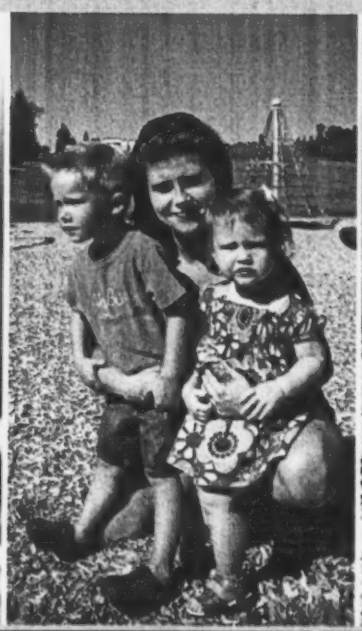




City of St. Albert
Alberta, Canada

2010 CITY OF ST. ALBERT ANNUAL REPORT





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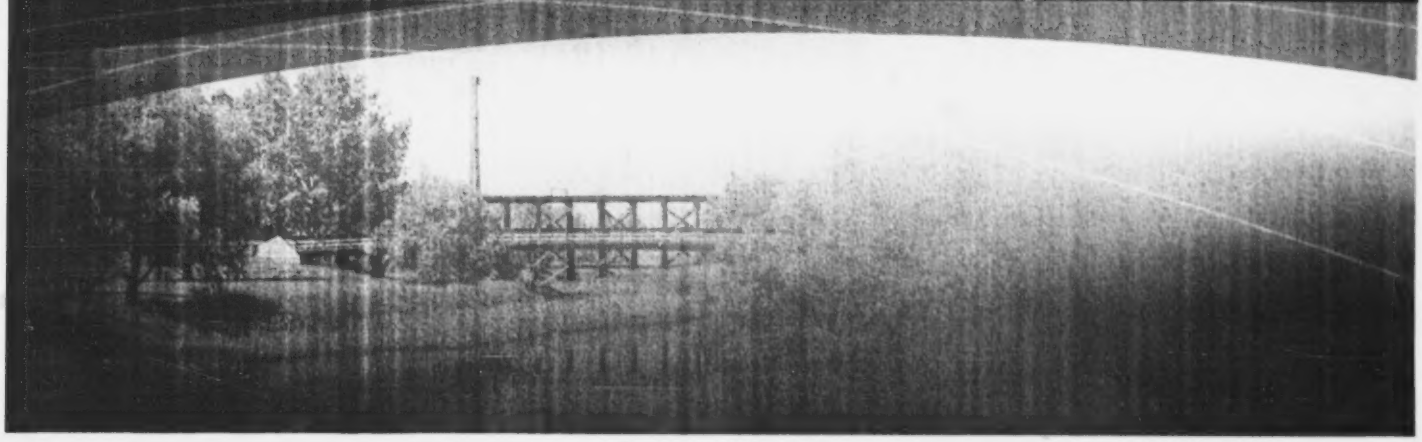

2010 ANNUAL REPORT

City of St. Albert, Alberta, Canada
For the Year Ended December 31, 2010

Prepared by: Corporate Services and Business and Strategic Services Divisions

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INTRODUCTION

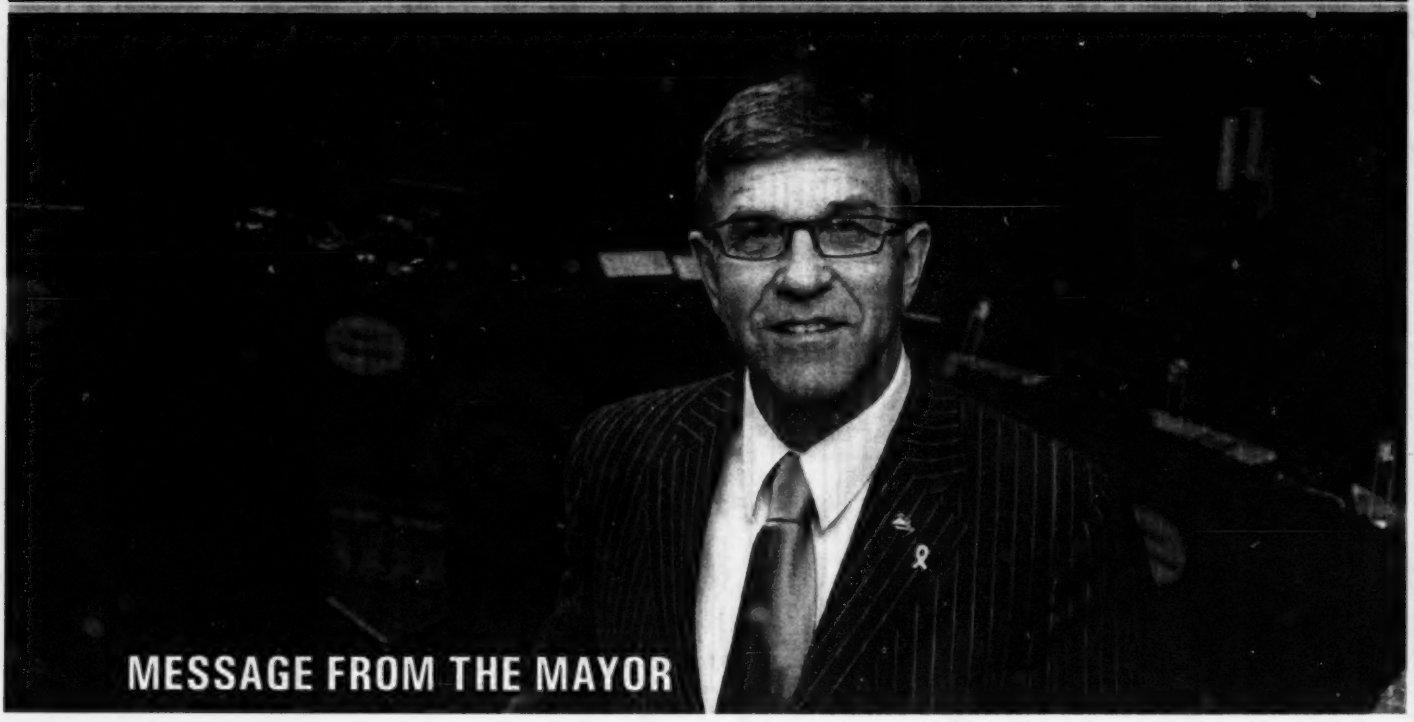
The City of St. Albert is pleased to present its 2010 Annual Report, which provides an overview of the various corporate and financial accomplishments throughout the year. These accomplishments are based on City Council's Outcome Goals and the City's audited financial statements.

The Annual Report is divided into three sections:

1. ***Introductory Section*** – provides messages from the City's senior executives, an overview of the City of St. Albert, including its municipal profile and government structure, and a Year in Review which provides an overview of key corporate activities and accomplishments based on City Council's Outcome Goals. A discussion and analysis of the financial statements is also included, to enhance a reader's understanding of the City's fiscal results and overall condition.

2. ***Financial Section*** – provides the Management and Auditor Reports and presents the audited financial statements including related notes and schedules.

3. ***Statistical Section*** – provides a summary of various financial and general statistics, which are intended to provide a reader with useful information on corporate trends.



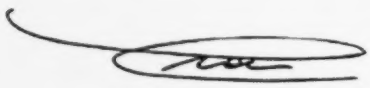
MESSAGE FROM THE MAYOR

On behalf of City Council, I am pleased to share the City of St. Albert's Annual Report for 2010. As the 2007 – 2010 Council wrapped up its three-year term, significant strides were made in many areas.

The introduction of the Botanical Arts brand and 'Cultivate Life' theme made for an exciting start to the year. The approval of the Erin Ridge North Development Agreement and business attraction efforts through the 'Join Us' campaign assisted us in moving forward on our economic development goals. Community safety was improved through our ongoing Neighbourhood Development Project and the new Graffiti Removal Program. The community further addressed various social needs in several ways, including the introduction of a Driving Angels Program for seniors and continued efforts to support our youth through the 40 Developmental Assets.

Council laid the groundwork to create more affordable housing options for St. Albertans. In completing a greenhouse gas emissions inventory and approving changes to St. Albert's solid waste collection program, the City renewed our commitment to environmental stewardship. We further enhanced our arts and culture scene in many ways, including a successful StArts Fest and ongoing work to preserve our valued heritage assets.

In reading this report, you'll learn more about the highlights from 2010 and the ways in which we are further cultivating our sustainable, vibrant community. As St. Albert celebrates our 150th anniversary, we will continue to be diligent and innovative in our planning, while practicing the sound decision-making that has made our community a leader in the region.



Nolan Crouse
Mayor of St. Albert | The Botanical Arts City

MESSAGE FROM THE CITY MANAGER

Looking back on 2010, I am confident in saying that the City of St. Albert seized all opportunities to generate positive results and addressed our challenges with the community's best interests in mind. Together, we worked on further strengthening our city in a number of areas.

This Annual Report is a sign of the City's continued commitment to keeping our residents and stakeholders apprised of our progress and engaged in our activities. Here you will find valuable updates on City programs, services and initiatives. You will discover how we continued to advance the City of St. Albert through our work on City Council's 10 priorities:

1 | Economic Development / Non-Residential Tax Base
2 | Community Safety
3 | Social and Community Development
4 | Financial Sustainability
5 | Environmental Sustainability
6 | Affordable Housing
7 | 150th Year Celebration
8 | Downtown
9 | Culture, Arts and Heritage
10 | Infrastructure Planning

Council priorities continue to evolve to match our community's needs and help us build a sustainable city. With this in mind, the City will continue to cultivate life through our outstanding programs and services, first-rate amenities, enviable green space, energetic business community and vibrant arts scene. These all contribute to a strong sense of community pride throughout the past 150 years and I look forward to our exciting future.

Sincerely,

Bill Holtby
City Manager

CITY PROFILE

One of the most beautiful cities in Alberta, St. Albert has long been recognized as a community of choice with its picturesque landscape, celebrated parks and trail system, state-of-the-art amenities, inviting neighbourhoods with tree-lined streets, lively arts and culture community and outstanding attractions and events.

With direct access to resource development in northern Alberta, excellent transportation networks and a highly educated workforce, St. Albert is positioned to attract clean industry, with a focus on professional, scientific and technical services and "green" industries that match the Botanical Arts City brand.

GOVERNMENT STRUCTURE

The City of St. Albert's mandate is to provide various social and recreational programs, protective services, transportation systems, public utilities, and other local services to the community. The municipality consists of two branches – a legislative branch (comprising City Council), and an administrative branch (led by the City Manager).

City Council provides strategic direction to Administration through a variety of plans, bylaws, policies and other governance processes.

City Council consists of a Mayor and six Councillors. Council is elected at large by residents to serve a three-year term and governs in accordance with powers granted under the *Municipal Government Act*.

City Council

October 2007–2010 elected Council members:

Mayor Nolan Crouse, Councillor's Carol Watamaniuk, Councillor Gareth Jones, Councillor James Burrows, Councillor Len Bracko, Councillor Lorie Garritty, Councillor Roger Lemieux

October–December 2010 elected Council members:

Mayor Nolan Crouse, Councillor Cathy Heron, Councillor Cam MacKay, Councillor Len Bracko, Councillor Malcolm Parker, Councillor Roger Lemieux, Councillor Wes Brodhead

2007–2010
City Council Mission, Vision and Values

City Council's Mission, Values and Vision provide Administration the foundation to make recommendations to Council and to guide decisions. The Mission describes the City's purpose; the Values define how Council will carry out decisions and actions; and the Vision describes the type of city that Council wants St. Albert to become.

Mission

"The City of St. Albert provides leadership in a well-managed, progressive and sustainable environment to deliver high quality, innovative municipal services that meet the expectations of citizens and business."
"We are building our future while respecting our past."

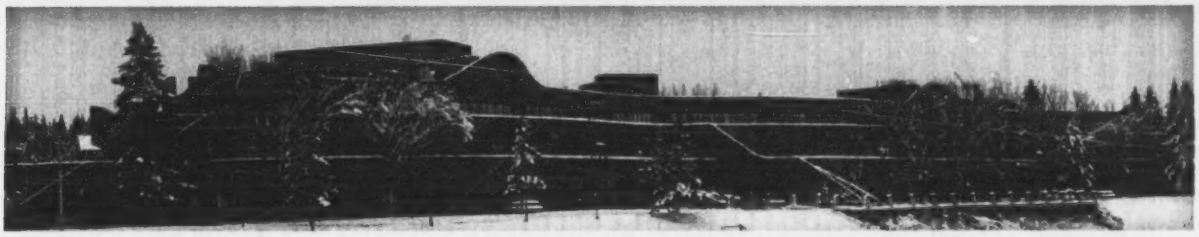
Vision

"St. Albert is the community of choice for citizens and businesses because of our exceptional programs and services, safety, amenities, and the quality of life we receive in our responsive and business-friendly city. All with a small town feel."

Values

City Council values:

- *Positive attitudes*
- *Leadership*
- *Good stewardship*
- *Respect, trust, dignity, honesty, integrity, flexibility in relationships*
- *Open two-way communications and diverse opinions*
- *Active participation of citizens*
- *Collaboration and co-operation*
- *Competent, productive and satisfied employees*
- *A safe and caring environment*
- *A balance of work and family life*
- *Safety and health*
- *Lifelong learning*
- *The generosity of volunteers*



Administration

City Administration is lead by an appointed City Manager and consists of an organizational structure divided into four divisions and 21 separate functions. The City Manager and four General Managers comprise the City's Senior Leadership Team, serving as the organization's executive administration. A broader Leadership Team, consisting of department Directors from across the organization, provides essential support and direction to Administration.

2010 ORGANIZATION CHART

CITY COUNCIL

CITY MANAGER
Bill Holthy

GENERAL MANAGER Community & Protective Services *Chris Jardine*	GENERAL MANAGER Corporate Services *Dean Screpnek*	GENERAL MANAGER Planning & Engineering Services *Neil Jamieson*	GENERAL MANAGER Business & Strategic Services *Bob Treidler*
Cultural Services	Assessment & Taxation	Engineering Services	Business & Tourism Development
Family & Community Support Services	Financial Services	Planning & Development	Corporate Communications & Marketing
Fire Services	Human Resources	Public Works	Coporate G.I.S
Servus Credit Union Place	Information Technology Services	Transit	Corporate Strategy & Business Management
R.C.M.P	Legal Services	Office of the Environment	
Recreation Services	Legislative Services		

Corporate Strategy

The corporation's strategy defines the actions Administration will take to realize the planned future for the community, as defined by City Council's Mission, Values and Vision. Accordingly, the Corporate Strategy includes a Corporate Mission, Values and Vision.

Corporate Mission

Our purpose; our reason for existence:

We provide exceptional services that enhance the quality of life in the community while ensuring the sustainability of St. Albert for future generations.

Corporate Values

These are the principles we hold dear. We commit to them uncompromisingly as the future unfolds. Our values define our culture:

- *Excellence*
- *Ethics*
- *Empowerment*
- *Encouragement*
- *Enjoyment*

Corporate Vision

This is where we want to be in the future; it inspires us as we carry out our mission:

Pride of the community; Leaders in the region.

YEAR IN REVIEW

The City's 2010 highlights and accomplishments demonstrate its commitment to long-term planning, community sustainability and effective service delivery. This section provides an overview of accomplishments as they relate to City Council's Outcome Goals.

Economic Development/ Non-residential Tax Base

We have more businesses and local job opportunities for St. Albertans; we have more non-residential assessment (progress towards 80/20).

Increase Non-residential Development

Expedite Future Study Area Decisions
As part of the Smart Growth Hybrid, Administration presented a recommendation to City Council regarding a site for a new light industrial business park in one of the three Future Study Area locations. In April, Council decided not to proceed with the proposed Hybrid Smart Growth Plan and requested that Administration research a different location for the future industrial land. This is planned for 2011.

Servicing the Northeast Corridor for Future Development along St. Albert Trail
Administration moved forward with a developer to create a conventional development model for the area. Construction is anticipated to begin in 2011.

Council approved the Erin Ridge North Development Agreement, including an easement that will permit servicing to the St. Albert Trail/Highway Corridor.

New Business Profile
Administration completed the new Business Profile for the fall 'Join Us' campaign. To promote St. Albert's business advantage, the document is distributed at tradeshows and shared with developers, commercial and industrial realtors and other City contacts.

Trade Area Survey Study
Administration initiated the Trade Area Survey Study to identify trading areas and where consumers are coming from to shop in St. Albert. The results will prove useful for local businesses in developing their advertising and marketing strategies. The final report will be shared in early 2011.

St. Albert Business Attraction Strategy
The 'Join Us' campaign is focused on encouraging residents who operate businesses outside of the city to move their businesses home to St. Albert. The campaign is widespread and includes many promotional and advertising mediums, such as billboards and print advertising.

Tourism

Develop a Hosting Strategy
The Major Events Hosting Strategy focuses on attracting and hosting a wide variety of events in the city.

Council approved the business plan and Terms of Reference for the Technical Committee. A second Terms of Reference was approved, but funding was not allocated for 2011. Work started on creating and maintaining a comprehensive calendar of events and guidelines for event organizers, both steps that do not require specific funding.

Branding

"The Botanical Arts City"

Council adopted a new brand for the City of St. Albert. St. Albert, The Botanical Arts City, will use the "Cultivate Life" theme to market St. Albert. Members of the Brand Leadership Team, which consists of 13 community leaders, were granted the role of brand ambassadors.

Some of the highlights include the following:

- *The St. Albert Trail median, from Gate Avenue to St. Anne Street, was decorated with planters.*
- *Planning for the first annual "Pure Horticultural Show" progressed on schedule.*
- *Signage at the Business and Visitor Centre was updated to reflect the new City logo.*
- *The 'St. Albert Brand Story' was shared at a Travel Alberta event in Red Deer and with several St. Albert organizations.*

City Wins Three Awards

At the Economic Development Association of Canada Annual Conference, Business and Tourism Development won three first-place awards for the tourism website, brand identity/application and "Cultivate Life" seed packages.

Assess Smart Growth Guidelines

In August, Council received a presentation from Administration regarding the implications of Council's motion related to the St. Albert Model for Future Growth. Council decided against the implementation of Smart Growth Guidelines.

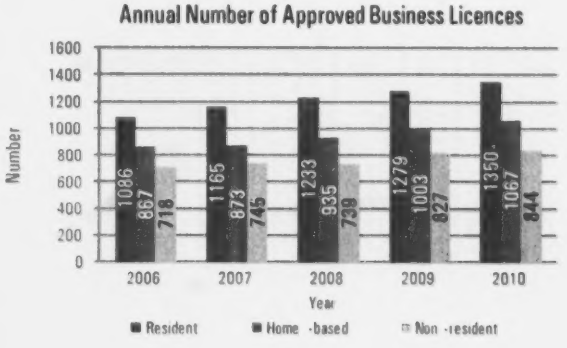
Other Items of Importance to Council

Building Permit Value

Compared to 2009, the value of new residential construction permits increased in 2010. The value of non-residential building permits decreased compared to 2009, yet remains consistent with previous years.

Business Licences

The number of business licences increased in 2010 by 71 for residential businesses, 64 for home-based businesses and 17 for non-residential businesses. The steady increase in all three categories signals a rise in potential job opportunities in the city and a healthy degree of confidence in the St. Albert market.



Note: Residential businesses are businesses operating from a commercial/industrial location within St. Albert.

Community Safety

St. Albert is one of the top five safest cities in Canada.

Implement Neighbourhood Development Initiatives

The Neighbourhood Development Team was actively involved with six neighbourhoods. Residents from each of these areas formed committees to develop and implement strategies that encourage safer, vibrant and more community-oriented neighbourhoods.

Block Parties

This initiative is a partnership between Family and Community Support Services, Neighbourhood Watch and Citizens' Patrol. In 2010, 67 block parties were held with over 4,000 neighbours in attendance. Eighty-eight per cent of block party organizers reported an increased sense of community and connectedness to their neighbourhood.

Graffiti Removal Pilot Project

A graffiti removal pilot project was launched in early 2010, including a presentation to the St. Albert Chamber of Commerce. It is envisioned that vandalism can be reduced through graffiti removal, community education and strong public support.

The project goals include:

- *educate the public on the impacts of graffiti;*
- *encourage and support residents and business owners in removing graffiti;*
- *enhance perceptions of public safety;*
- *provide sustainable cleanup solutions;*
- *help strengthen neighbourhoods; and*
- *reduce incidents of graffiti.*

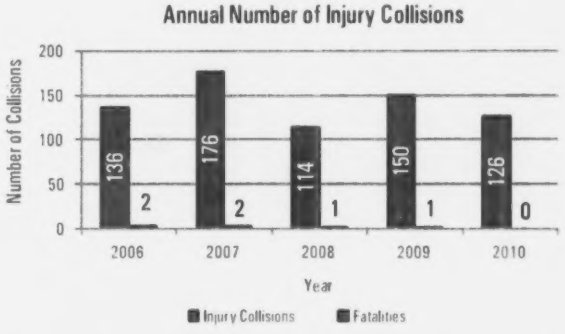
Neighbourhood Garden Initiative

This initiative was discussed as an option to further enhance community development by encouraging neighbourhoods to build public gardens in suitable areas. Two groups secured private land (the Christian Reformed Church on Gate Avenue and St. Albert Parish on St. Vital Avenue) and are working on securing donations and grants for installing gardens in the spring of 2011 with plots that will be open to anyone in the community. In November of 2010, the St. Albert Parish Heritage Garden Committee received an Environment Initiatives Grant from the City of St. Albert. Both groups are working with Administration for resources required to start the garden, find grants, to recruit community members for the organizing committee and planning their gardens.

Improve Traffic Safety

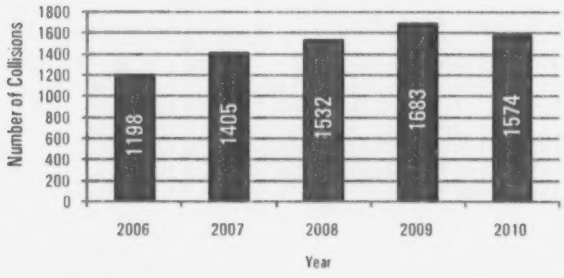
Injury and Non-injury Collisions

Compared to previous years, with the exception of 2008, the number of injury collisions decreased in 2010.



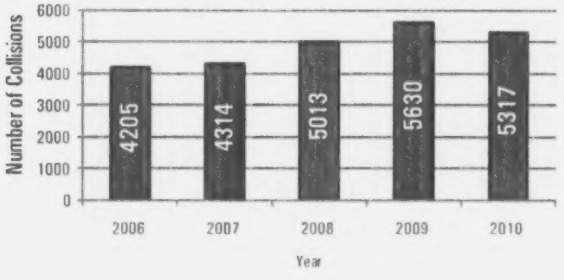
In 2010, the number of non-injury collisions decreased compared to 2009; however, the number remains higher when compared to the same time period in years prior to 2009.

Annual Number of Non-Injury Collisions



Criminal Code Offences
Compared to 2009, the number of criminal code offences decreased in 2010.

Annual Number of Criminal Code Offences



2010 Traffic Safety Plan

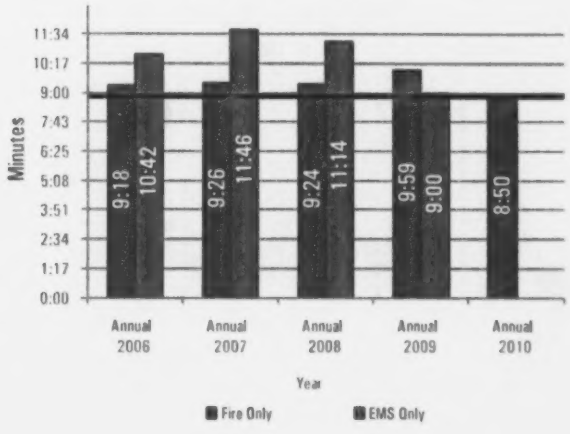
The RCMP and Municipal Enforcement Services worked with various agencies to draft the 2010 Traffic Safety Plan. Ensuring traffic enforcement efforts are focused on reducing motor vehicle-related fatalities and injuries, the plan encourages collaboration between members of the St. Albert RCMP and Community Peace Officers. This plan will be reviewed and updated annually by the City of St. Albert and the St. Albert RCMP.

Other Items of Importance to Council

Emergency Response Time
Fire response times decreased in 2010, in comparison to the previous four years.

As of February 2010, the City of St. Albert was no longer responsible for Emergency Medical Services (EMS) dispatch, in accordance with Alberta Health Services' new service delivery model. Consequently, 2010 data for EMS response time is not available.

Emergency Services Response Time Index



Target: Respond to 90 per cent of fire and emergency medical calls within nine minutes.

Social and Community Development

Residents have a strong connection to the community and participate in the growth and evolution of the city.

Review Results of the 40 Developmental Assets Program for Youth

Work continued throughout 2010 on promoting the 40 Developmental Assets in the community. While the Asset Development Team mainly focused on schools in 2009, the group worked with the business sector in 2010 to encourage asset building in the workplace and to show how business leaders and their employees can further support the 40 Developmental Assets.

The Asset Champion Award for Business was introduced, providing an opportunity for people to submit nominations in two categories: Most Youth-friendly Business and Most Youth-friendly Employer. As of the end of December 2010, 35 submissions were received. The winners will be announced in early 2011.

Asset Awards
The event was held in March to recognize the many community members who volunteered their time to assist with the production of a short six-video series about the 40 Assets. The videos further promote the philosophy and provide examples of several community members who are already building assets in St. Albert's youth.

Junior High Visitations Program
In step with the 40 Assets philosophy, RCMP members continued to visit junior high schools to engage students in building positive relationships with police. As of the end of December 2010, 497 visits took place.

Complete Phase 2 of Riel Park Redevelopment

Phase 2 Redevelopment
Phase 2 design work was completed with significant input from key stakeholders, such as the BMX, Kinsmen and Saint City Rotary clubs.

Phase 2 construction is well underway, and is expected to be completed at the end of June 2011. All 2011 work has been planned and scheduled in consultation with affected stakeholders to reduce any impacts on their operations or programs.

Phase 3 and 4 Redevelopment
Designs for Phases 3 and 4 were completed, focusing on the soccer and rugby fields. Administration has been working with soccer and rugby stakeholders to develop the design in terms of capping and grading work, and infrastructure. This project was not funded through the 2011 budget process and, as such, construction will not commence until a later date.

Complete a St. Albert Plan for Seniors

Elder Abuse Protocol Priority (St. Albert Seniors' Working Group)
The Elder Abuse Protocol Guidelines for Action document was produced and responder training was provided to community agencies, managers in physicians' offices, health-care providers and social workers.

Transportation Priority (St. Albert Seniors' Working Group)
To recognize volunteers who provide transportation to seniors, the St. Albert Driving Angels Program was launched in February. The program is in partnership with the St. Albert Seniors' Working Group, St. Albert Senior Citizens' Club, St. Albert Transit and the Alberta Motor Association.

Information Priority (St. Albert Seniors' Working Group)
The St. Albert Seniors' Directory is now online through the St. Albert Senior Citizens' Club website. All agencies serving seniors are encouraged to provide a link to this resource through their respective websites.

Community Education Sub-committee (St. Albert Seniors' Working Group)
This sub-committee offered education sessions targeted at individuals/professionals who frequently come in contact with seniors. The session, entitled "Building a Safety Net of Care for the Aging Adult," discusses the signs and symptoms of elder abuse and ways in which people can help, including resources in the community.

Encourage the Strategy and Mobilization Committee

Strategy and Mobilization (SAM) Committee Celebration
A celebration was held on January 28, with 47 guests in attendance, including representatives from various human service agencies, local school boards and the municipal and provincial governments. The Seniors' Working Group and Youth, Child and Family Working Group were recognized for their significant accomplishments achieved to date.

Attendees learned how beneficial SAM has been in advocating for and supporting citywide projects, as well as how the working groups' joint planning initiatives have decreased the number of committees and increased the understanding of gaps in service. SAM has also strengthened relationships, improved partnerships and increased the effectiveness in responding to the needs of youth, parents, families and seniors.

Other Items of Importance to Council

Outreach Networking Group
Family and Community Support Services is bringing together the current outreach services in our community. This includes Seniors Outreach, Family Outreach, the Family and School Liaison Program, the Community Liaison Program and the Rental Assistance Program. The group is meeting to clarify programs, services, roles and appropriate referral processes to help streamline outreach services for St. Albert. This initiative will help address any gaps in service and ensure services are not duplicated.

Financial Sustainability

Strong financial policies and management ensure the city's sustainability.

Review Council's Financial Policies

Offsite Levy Bylaw
Council approved a new Offsite Levy Bylaw in March. A comprehensive review of the bylaw began in the fall of 2007 and considered all land within the City.

Amendment to Policies
In September, the Standing Committee on Finance considered proposed amendments to the Debt, Investment and Financial Reserves policies. The proposed amendments were approved by Council.

Acquire Raw Land in Annexation Area for Municipal Purposes

Council has directed staff to implement a plan to strategically divest of and acquire land to meet future civic re-investments. Work on various sales and purchases is ongoing.

Other Items of Importance to Council

Budget 2011
City Council approved the City budget for 2011, which is focused on maintaining programs and service levels for residents, as well as targeted funding for priority projects.

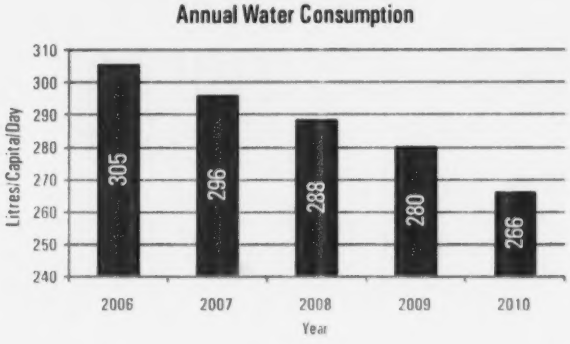
Environmental Sustainability

We are taking care of the environment for current and future generations.

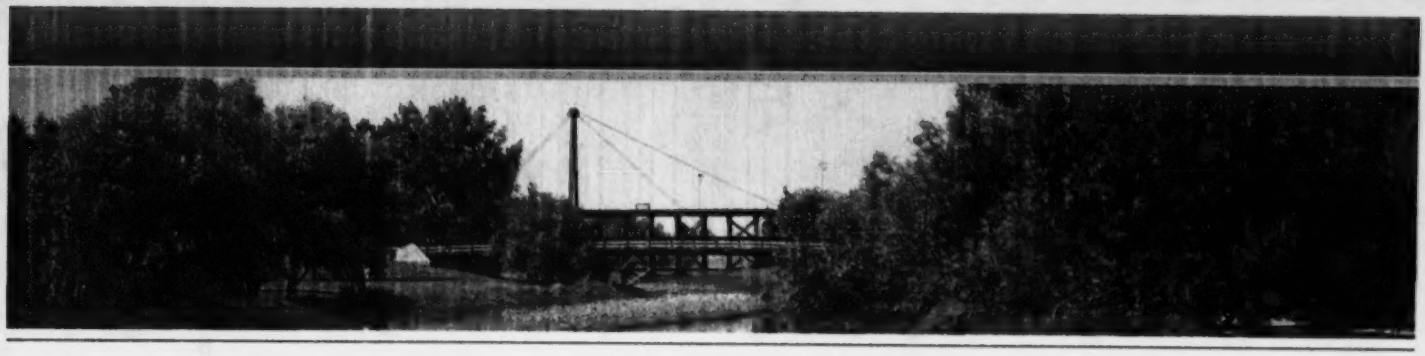
Implement Environmental Master Plan Goals

Water Consumption
In 2010, water consumption in St. Albert was lower than in the previous four years. Some of the factors that contribute to this downward trend include:

- *weather patterns;*
- *the City's ongoing water conservation messaging;*
- *rate elasticity (water rate versus usage); and*
- *water efficient fixtures.*



Greenhouse Gas Emissions
The Corporate and Community Greenhouse Gas Emissions Inventory was completed. City Council's Environmental Advisory Committee reviewed the inventory and the new greenhouse gas reduction targets were deemed appropriate. The new emission targets for the corporation and the community will be presented for Council's approval in 2011.



Maintain Air Quality
Administration sponsored a meeting for the Alberta Capital Airshed Alliance's Air Quality Monitoring Task Group, as well as a regional workshop on public communication and action related to air quality issues. Workshop participants included representatives from the cities of St. Albert, Edmonton and Red Deer, as well as Alberta Health and Wellness, Alberta Environment, Alberta Lung Association and others.

Administration continues to work with the Alberta Capital Airshed Alliance sub-committee to develop a comprehensive air quality monitoring system for the Capital Region.

Protect and Maintain the Sturgeon River
Sturgeon River Floodplain Elevation recommendations were presented to Council on July 12. These elevations are not only important for flood protection in the city but also contribute to the long-term protection of the Sturgeon River.

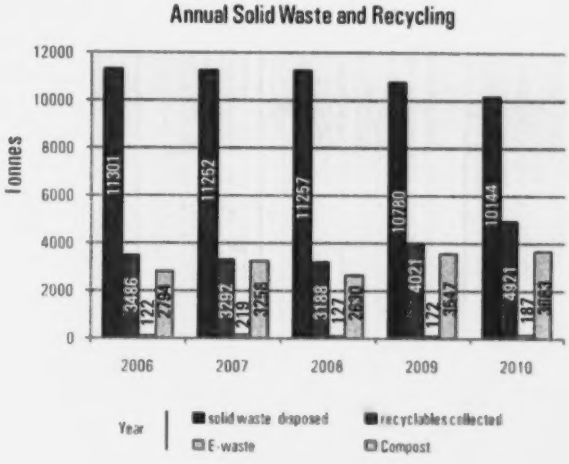
Reduce Contamination by Improving Hazardous Waste Management
The City of St. Albert partnered with the City of Edmonton and Strathcona County on the Good Growing Neighbours campaign. The purpose of the campaign was to educate residents about environmentally-friendly yard and garden maintenance. This includes the proper use and reduction of pesticides.

Corporate Programs to Reduce Environmental Impacts

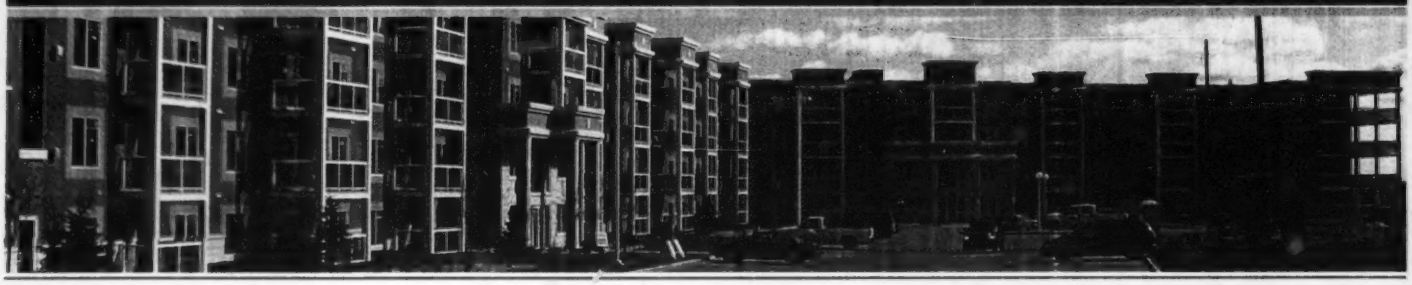
Environmental Management System (ISO 14001)
A review of St. Albert Transit's hazardous material storage and emergency planning procedure was completed. In addition, Public Works' EMS was reviewed, including compliance and pre-registration audits. Recommendations were provided in preparation for future assessments.

Recycling and Solid Waste

Reduce Solid Waste Generation
In comparing data from 2009, the amount of solid waste collected decreased by 636 tonnes. The amount of recyclables collected increased by 900 tonnes, while compost increased by 136 tonnes and e-waste by 15 tonnes.



Automated Refuse Collection
In June, Council approved changes to the City's waste collection system, with implementation scheduled for June 2011. The City will be moving from a manual weekly collection, which split operations between the City and a contractor, to an automated bi-weekly collection system fully operated by City staff. The program will include curbside organics and yard waste collection, which will be provided through a contractor and implemented at the same time as the new program.



Shred-it
The City of St. Albert, Shred-it, the RCMP, the St. Albert Food Bank and the Alberta Motor Association teamed up in May to sponsor the third annual Shred-it Day. The event was a huge success with 18,000 lbs. of paper recycled, compared to 6,000 lbs. in 2009. St. Albert residents donated 424 lbs. of food and $1,178.93 in cash to the St. Albert Food Bank.

Ensure Effective Preservation and Protection of Natural Areas

Lois Hole Centennial Provincial Park
A tri-party agreement to expand Lois Hole Centennial Provincial Park within St. Albert by 378 hectares was finalized in 2010. This announcement involved the City, the Province and Beaverbrook Developments.

Continue to Enhance Red Willow Park and the Trail System

The White Spruce Forest
Administration negotiated the pre-dedication of the Environmental and Municipal Reserves that make up the White Spruce Forest. Historical designation is set to occur in early 2011.

Partners in Parks
Approximately 240 partners were involved in this program throughout the summer months. The flower beds and park spaces around residences were maintained by Partners in Parks.

In co-operation with Public Works and Recreation Services, the partners on Howard Crescent have initiated a significant project to rehabilitate the stream course area behind their homes. With support from homeowners and the City, this project is expected to continue into 2011.

Affordable Housing

We encourage, nurture and lead change to bring more diverse accommodations and a wide range of affordable housing options to the city, ensuring people in all age groups and socio-economic categories have the ability to live in St. Albert.

Update the Affordable Housing Strategy

Further Advance Affordable Housing Projects
On September 20, Council redistricted 70 Arlington Drive from Public Service to a Direct Control Land Use district. On September 29, Council approved the conditions of a Direct Control Development Permit, authorizing the construction of a 30-unit semi-detached Habitat for Humanity housing development on the site. Council decided that three Council members and Administration would work with Habitat on securing development partners to ensure that the project would be completed in full by May 2013.

Council approved the purchase of land in North Ridge and committed it to the St. Albert Affordable Housing Society's Big Lake Pointe Project.

For provincial grant application purposes, Council approved funding towards the North Ridge Lodge expansion project.

Rent Assistance Program
The Rent Assistance Program provided a monthly direct-to-tenant rent supplement to eligible St. Albert households. The supplement enabled households to pay no more than 30% of their income toward rent up to the maximum eligible limit, plus a child supplement. In 2010, 83 households applied for rent subsidy with 44 households still receiving support as of the end of 2010.

Complete the Area Structure Plan for Badger Lands
Council provided landowners with support for the development of an Area Structure Plan (ASP) for the

Badger Lands under the current terms of the Municipal Development Plan. The ASP will be initiated in 2011.

Basement Suite Grant
The program approved 58 applications and distributed grant funding to 44 homeowners who completed their suites. The City is no longer accepting new applications, as the program is fully subscribed; currently, 18 people are on the waiting list in the event that other applicants opt out of the program.

150th Year Celebration

St. Albertans celebrate our history, arts and culture.

Plan the Year-long 150th Celebration Activities

The 150th Anniversary Celebration Activities
The committee moved into a new office and continued to work on planning and promoting the celebration, as well as securing additional sponsorship.

In addition to many events led by various community entities, the committee planned the following events:

- *The Black Bonspiel of Wullie MacCrimmon*
- *Canadian Western Bank Rendezvous 2011 Gala*
- *Family Day Snow Festival*
- *Meet the Street*
- *Soapbox Derby*
- *Battle of the Bands*
- *Homecoming*
- *Rendezvous Picnic*
- *New Year's Wrap-up*
- *Volunteer Recognition Event*

Downtown

St. Albert has a vibrant downtown.

Complete the Update of the Downtown Area Redevelopment Plan (DARP)

In August, Council approved the Downtown Area Redevelopment Plan. Administration included its implementation as an unfunded capital project in the 10-year Capital Plan.

Other Items of Importance to Council

Downtown Beautification Program

Administration re-launched the Downtown Beautification Program in March. The program was available to businesses located within the current DARP boundary and who have a storefront. The program covers perpendicular signs, beautification, street furniture and bike racks. Business owners can apply for funds to cover 50 per cent of the cost of an approved program element, up to a maximum of $2,500 per business.

The Downtown Beautification Program was expanded to include winter beautification as well. As such, businesses were allowed to order winter arrangements featuring evergreens.

The flowerbed in front of the St. Albert Community Hall was redone and is set for planting next spring. With assistance from Public Works, the St. Albert and District Garden Club will maintain the garden.

Culture, Arts and Heritage

The community is recognized for its culture, arts and heritage.

Create a Culture Master Plan

A total of 400 residents completed random telephone surveys to gather feedback for the Culture Master Plan. As part of the public consultation process, Administration met with representatives from the cultural community. The next steps include development of a draft Cultural Master Plan and further public consultation before the plan is finalized. Anticipated completion date is the third quarter of 2011.

Promote the Arts and Heritage District to Residents and Visitors

Administration provided assistance for the following community projects:

- *St. Albert Celebrates the Arts Logo Competition*
- *The Mayor's Award Recognition*
- *St. Albert Painters' Exhibition*
- *St. Albert Potters' Exhibition and District Six Student Exhibition*
- *Arts Days Media Conference*
- *SAPVAC WARES floor renovation*

Advocate for Increased Funding

The Friends of the Arden Theatre Society
Effective April 1, 2010, municipalities are no longer eligible for funding from the Alberta Foundation for the Arts and Alberta Lotteries. Administration has worked with community supporters to form a non-profit society. The Friends of the Arden Theatre Society, which will enable the theatre to access these grant funds and explore other funding opportunities for programming and facility enhancement.

Alberta Arts Days
St. Albert was one of the flagship communities for the second annual Alberta Arts Days, which was held in late September.

Heritage Sites Master Plan

Develop a Heritage Sites Funding Plan
To determine the funding plan, assessments have been conducted for the Little White School, Banque d'Hochelaga, Juneau House and the Heritage Park.

The budget for the heritage sites projects has been updated in the 10-year Capital Plan. In addition, project schedules have been refined to specify appropriate timelines for design and construction.

Complete Work on the Heritage Site
Due to weather conditions, work on the grain elevators was delayed. With the new schedule in place, most of the foundation work was completed, scaffolding was erected around the 1906 elevator and much of the visible restoration, including roof and siding work, is underway.

Work also continues on the 1929 elevator, with the straightening of the drive shed, the replacement of rotten cribbing on the west wall and the stripping and repainting of hardware.

Other Items of Importance to Council

Northern Alberta International Children's Festival
The 2010 Children's Festival was a success, with 50 artists participating and 57,983 visitors in attendance from Alberta, Manitoba, Saskatchewan and British Columbia. A total of 84 per cent of main stage tickets sold out. Volunteers contributed 14,000 hours to ensure the success of various festival activities.

StArts - St. Albert Celebrates the Arts
StArts Festival celebrated a successful second year. The Mayor's Celebration of the Arts Gala attracted more than 300 guests on September 17. To further celebrate St. Albert's artistic community, a variety of events and activities were held throughout the weekend.

Arden Theatre
As part of the Professional Series, 23 performances took place in the Arden Theatre; this included a performance by Tono, a group that was featured at the opening ceremonies of the Vancouver 2010 Winter Olympics.

Visual Arts
Council approved funding to acquire five granite sculptures by Métis Artist Stewart Steinhauer.

A jury commissioned by the Public Art Advisory Committee reviewed potential art purchases and donations for the Public Art Collection. Eleven pieces were selected and will be accessioned or loaned into the public art collection.

Colour Fields II, a mural by St. Albert Artist Angela Grootelaar, was unveiled on St. Thomas Street.

Infrastructure Planning

The city is growing; infrastructure is in place and we continue to plan for the future.

Funding for Major Roads

Ray Gibbon Drive Stages 1 and 2
The Province provided $14.3 million in funding for reimbursement of Stages 1 and 2. Once the final accounting was completed, it was noted that an additional $5 million is required to cover all costs related to Stages 1 and 2. The Province has confirmed that additional funding requirements will be addressed during compensation for Stage 3.

Public Transit

Implement Short-term System Improvements
Fifteen new buses were commissioned and the St. Albert Transit fleet is now fully accessible. New bus stop signs were installed at all bus stops in St. Albert; this will assist with the implementation of the automated "NextBus" information system.

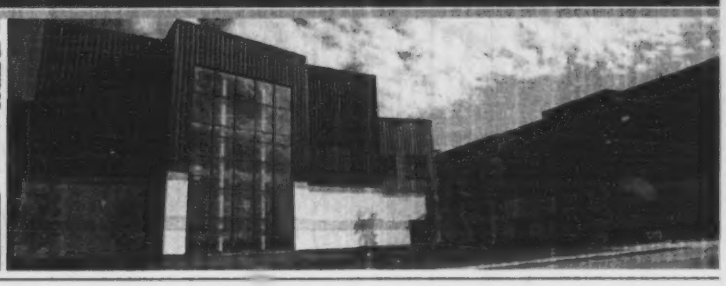
Bike racks were installed on all buses and made available for use as of May 1, 2010.

Implement Long-term System Improvements
A draft contract for NextBus was developed. This extension of the automatic vehicle location system will provide real-time transit information to the public. To prepare for implementation, Administration re-created the fall 2010 TranSchedule which will provide the computerized scheduling information system required to access support for the NextBus system.

Light Rail Transit between Edmonton and St. Albert
At the Capital Region Board's Regional Transit Committee, St. Albert supported Edmonton's request for pre-approval of its Green TRIP proposal related to the construction of the NAIT LRT line.

Regional Opportunities through the Capital Region Board

St. Albert submitted an Expression of Interest for Green TRIP funding proposals to the Regional Transit Committee. The Expression of Interest was updated to raise the priority for the LRT Functional Alignment Study. The Regional Transit Committee submitted the project so that a portion of it would be available for Green TRIP funding on the regional priority list.

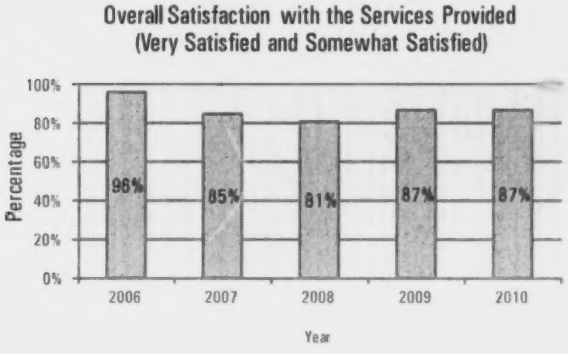


Other Items

Services, Programs and Standards are the Best in the Region

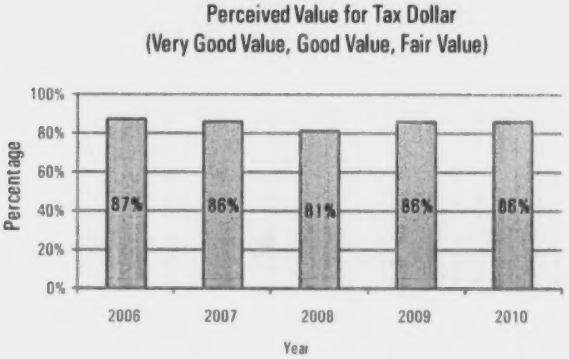
Overall Satisfaction with Services Provided by the City of St. Albert

Citizen satisfaction with services provided by the City of St. Albert remained the same in 2010, compared to 2009.



Perceived Value for Tax Dollar

Based on the 2010 Community Satisfaction Survey, residents feel they receive good value for their tax dollar.



Servus Place Highlights

Servus Place Participation continues to increase compared to 2009.

Annual Servus Place Participation*	2008	2009	2010
Average Memberships per Month	7,005	6,932	7,157
Paid Day Admissions	104,016	123,739	142,217
Fitness Centre Users	261,742	304,248	316,733
Child Minding Attendees	9,228	9,451	9,693
Water Play Park Users	227,847	238,536	288,744
Hours of Rented Space	14,009	15,246	16,149
Fitness Registered Program Participants	24,470	29,065	39,453
Fitness Drop-in Program Participants	24,778	31,876	36,308
Recreation Registered Program Participants	10,316	8,358	9,371
Recreation Drop-in Program Participants	13,230	14,875	22,011
Community Recreation Registered Program Participants	n/a	8,051	9,711
Community Recreation Drop-in Program Participants	n/a	6,283	4,350

Note: Servus Place was using a different system to collect data in 2007. The facility opened in October of 2006.

Servus Place - Fitness and Wellness Centre Expansion Study

Work continues with CEI Architecture on the Conceptual Design and Feasibility Study for Servus Place. Work on developing a long-term vision is complete and a short-term plan and costing are currently being developed to support the vision. The final report will be presented to Council in 2011.

"Fit" Preschool Program

Servus Place introduced a "Fit" Preschool Program that includes a 33 per cent physical activity component. The program aims to address increasing inactivity and

obesity rates in preschool and school-aged children. In addition, introduction of basic skill development to school-aged children was implemented in all program curriculums.

Aquatics Programs

Swim lessons, swim meets, competitive swimming and Grosvenor Pool attendance increased, while attendance for recreational swim decreased in 2010, compared to 2009.

Aquatics Programs	2006	2007	2008	2009	2010
FPRC* Swim Lessons	112,181	117,661	112,232	118,013	134,585
FPRC* Recreational Swim Attendance	177,379	153,104	154,790	156,174	143,463
Swim Meets Attendance	4,705	4,078	2,850	3,529	4,065
Competitive Swim Attendance	10,484	10,352	10,371	8,589	8,856
Grosvenor Public Swim Attendance	18,405	21,495	20,574	15,749	16,826

**FPRC – Fountain Park Recreation Centre*

Canada Day Event

Administration co-ordinated a highly successful Canada Day event with activities for all ages located throughout the city. More than 20 community groups and businesses actively contributed to the activities. Overall attendance increased compared to 2009. This year's fireworks display included a special addition to commemorate the 100th anniversary of St. Albert Fire Services.

Community Recognition Program

The Community Recognition Committee selected Calgary Artist Terry Reynoldson to complete the Art in Public Places Community Recognition Project by June 2011. The artist will develop river inspired stone sculptures to recognize the outstanding achievements of St. Albert residents.

Olympic Highlights

More than 500 people visited Servus Place on January 12 to have their photos taken with a prototype of the Olympic Torch, courtesy of MP Brent Rathgeber.

St. Albert hosted an Olympic Torch Relay celebration on January 13. The festivities attracted thousands of St. Albert residents to the downtown core where they participated in various winter activities before welcoming the Olympic Torch to St. Albert. City staff, several community organizations and many volunteers ensured the event was a success.

Recognition For Olympians

A free public event was held on September 4 recognizing Jarome Iginla for his outstanding efforts in representing his home city, St. Albert, at the 2010 Winter Olympic Games and winning a Gold Medal for Canada. Recognition items were also provided to: Meaghan Mikkelson, who won Gold in women's hockey; Tamara Oudennarden, who represented Canada as an alternate in speed skating; and Marc Kennedy, who brought home a Gold Medal in men's curling.

Recreational Infrastructure Canada (RInC)

The City received two RInC grants from the Federal Government: $83,250 for the Fountain Park Recreation Centre Filter Replacement Project and $116,000 for the Akinsdale and Kinex Arenas Renovations.

Cultural Programs

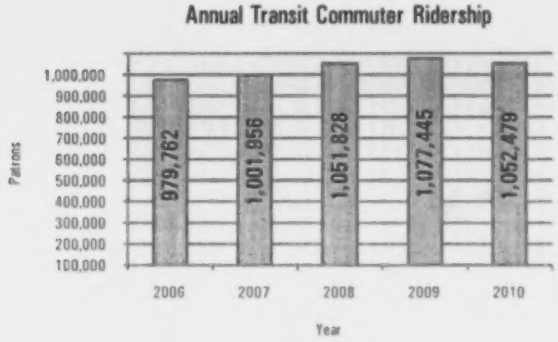
The following table shows participation numbers for cultural programs in 2010. Participation in performing arts is lower compared to the same time period in 2009. This is due to increasing competition for program participants.

Cultural Programs	2006	2007	2008	2009	2010
Visual Arts Programs	n/a	n/a	n/a	371	474
Performing Arts	827	846	738	565	351
St. Albert Children's Theatre	241	270	392	465	512
Arden Theatre Attendance	70,344	69,547	64,815	72,651	70,234
Total	71,412	70,663	65,945	74,052	71,571

**Visual Arts Program participants were tracked using a different method in previous years, therefore, numbers cannot be compared prior to 2009.*

Transit Commuter Ridership

Transit commuter ridership was lower in 2010, compared to 2009.



Municipal Enforcement Calls For Service

The following table represents the reported incidents for St. Albert in 2010 and the three previous years. The number of incidents increased compared to the same time period in 2009, except for Snow Removal, Traffic Bylaw/Parking infractions and Traffic Safety Act violations.

Annual Reported Incidents	2007	2008	2009	2010
Animal Calls	982	926	917	1,001
Misc. Bylaw	187	196	146	190
Misc. Provincical Statue	22	27	22	30
Snow Removal	100	91	181	64
Traffic Bylaw/Parking	1,531	1,678	1,562	1,349
Assists/Warrants	50	36	44	57
Waste/Unsightly/Weed/ Environment	345	411	318	436
Traffic Safety Act	365	335	357	286
TOTAL - Reported Incidents	**3,582**	**3,700**	**3,547**	**3,413**

* *Data for 2006 is not available.*

Municipal Enforcement Proactive Services

The following table shows the number of charges in St. Albert in 2010 and the four previous years. The number of charges decreased in all categories, with the exception of Moving infractions.

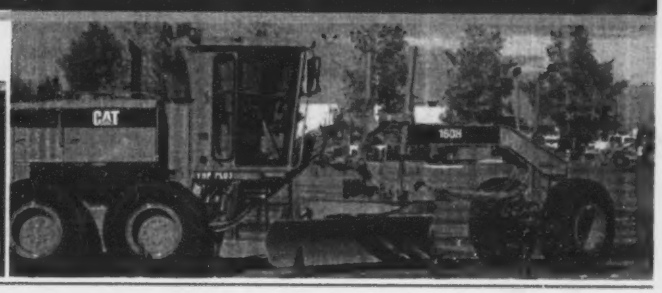
Annual Charges	2006	2007	2008	2009	2010
Moving	1,524	1,300	617	1,565	1,701
Non-moving	415	724	520	852	419
Parking	1,617	2,349	2,305	2,963	2,692
Bylaw	268	329	306	314	224
Other	50	36	67	33	4
Total	3,874	4,738	3,815	5,727	5,040

Local Authorities Election

In October 2010, the City conducted a local authorities election in accordance with legislation. Electronic ballot tabulation, a substantial public awareness campaign and over 160 election personnel were utilized to ensure the process was administered efficiently and effectively. On October 18, residents elected a new City Council and trustees for St. Albert's Catholic Public and Protestant Separate school divisions. Mayor Nolan Crouse and members of council will serve a three-year term.

Municipal Census

During the spring, the city enumerated the community using an innovative new process that enabled residents to complete their census online. This process resulted in nearly 40% of residents completing their censuses without speaking to a census representative. Census results showed that St. Albert's population had risen to 60,138, an increase of 2.8% compared to previous City census.



Cultivating Your Role in the Community

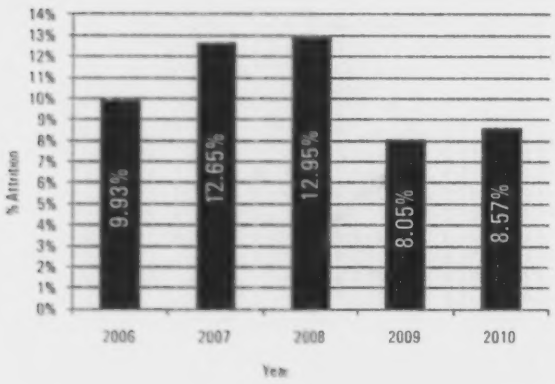
The third annual Volunteer Fair was held in November at Servus Place. The event is a partnership between Recreation Services and the St. Albert Community Information and Volunteer Centre. Fifty-one different groups, organizations and societies were in attendance to showcase various volunteer opportunities.

Attracting and Retaining High Quality Employees

Employee Attrition Rate

The employee attrition rate increased in 2010 compared to 2009; however: the attrition rate is lower than in 2006, 2007 and 2008.

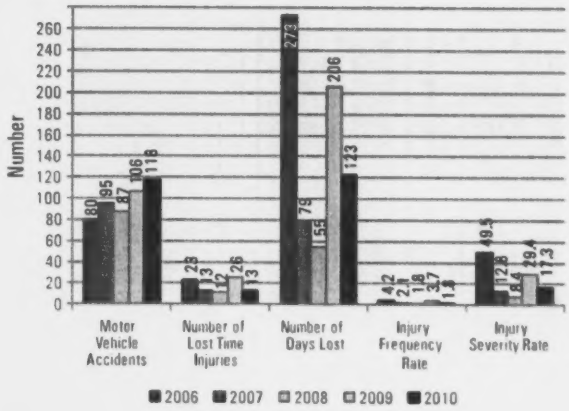
Annual Permanent Employee Attrition



Safety Statistics

The Injury Frequency Rate and the Injury Severity Rate decreased in 2010, when compared to 2009. The number of work-related motor vehicle accidents increased in 2010 compared to the previous four years.

Annual Employee Safety



Definitions:

Injury Frequency Rate = # of Injuries x 200,000/Total Hours Worked

Injury Severity Rate = # of Days Lost x 200,000/Total Hours Worked

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

This Annual Report provides an opportunity for the City of St. Albert (City) to communicate with stakeholders and other readers regarding its 2010 financial performance, including significant financial practices, strategies, and events. The Report includes the City's consolidated financial statements, prepared by management in accordance with the principles and standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). Management has made every effort to ensure the financial statements present a fair accounting of the City's consolidated operating and capital activities for the fiscal year ended December 31, 2010. Included entities are the City, its Utilities, the St. Albert Public Library, and the Arts and Heritage Foundation of St. Albert.

The City's auditor, KPMG LLP, has audited these statements and has provided an unqualified opinion. The financial statements and auditor's report satisfy a legislative reporting requirement as set out by the Alberta *Municipal Government Act.*

To communicate how the financial resources entrusted to the City are being managed to provide municipal infrastructure, programs, and services, management has also prepared the following Financial Statement Discussion and Analysis (FSD&A). The FSD&A should provide a clear representation of the City's financial position, highlight information about the key relationships that exist among various elements, explain why events occurred, discuss strategies or policies that exist to address challenges, and suggest what may happen as a result of long-term trends. At all times, management has attempted to reinforce the principles of understandability, relevance, reliability, and comparability.

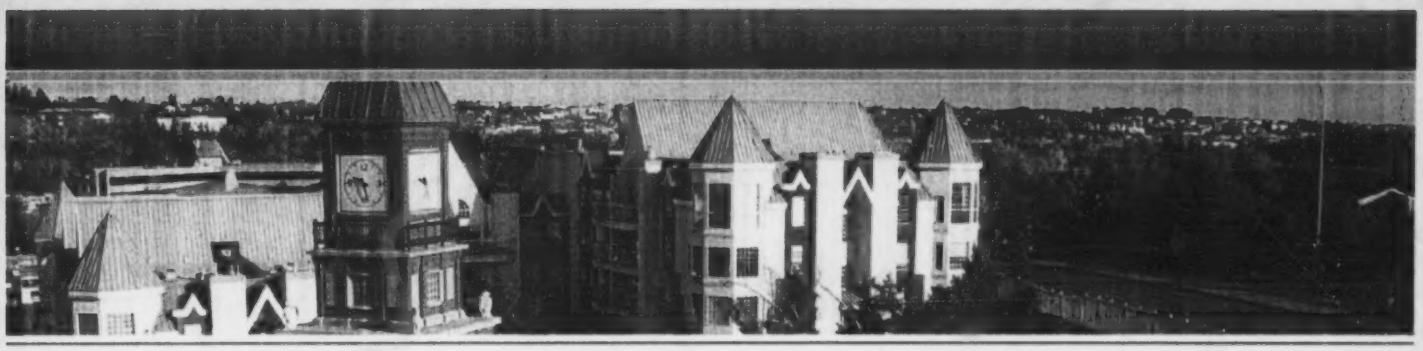
The FSD&A should be read in conjunction with the audited financial statements and accompanying notes, and responsibility for the preparation of both the financial statements and the FSD&A rests with the City's management. The City's 2010 Consolidated Financial Statements include:

1.) Consolidated statement of financial position. This statement is a summary of financial assets and financial liabilities, net debt, non-financial assets, and accumulated surplus as at December 31st. The statement is used to evaluate the City's ability to finance its activities and to meet its liabilities and commitments.

2.) Consolidated statement of operations and accumulated surplus. This statement outlines revenues and expenses, in total describing the net change to accumulated surplus for the year.

3.) Consolidated statement of changes in net debt. This statement reports changes in future revenue requirements. The annual surplus is provided, with reversals for tangible capital asset acquisitions, disposals, amortizations, and sales. The change in net debt is an indicator of whether revenues raised in the year were sufficient to cover current year spending.

4.) Consolidated statement of cash flows. This statement is a summary of how the City's cash and equivalents position changed during the year, highlighting activities related to operating, capital, investing, and financing.



Financial Highlights

Overall, the City's financial position improved as of December 31, 2010. This positive result was the product of a number of factors reflected within the financial statements, including that:

- the consolidated statement of financial position reported an improved accumulated surplus for the City in 2010. This improvement was the result of a $15.1 million increase in financial assets to $96.4 million, primarily due to a Provincial reimbursement of $14.3 million for front-end costs related to the City's Ray Gibbon Drive project. Also, the City experienced a $4.9 million decrease in financial liabilities to $118.0 million, due to its focuses on debt retirement and landfill liability reduction. Finally, a $15.4 million increase in non-financial assets to $729.5 million resulting from the acquisition of various tangible capital assets throughout the year.

- the consolidated statement of operations and accumulated surplus reported a 2010 Annual Surplus of $35.4 million. This was the result of consolidated revenues of $167.8 million and consolidated expenses of $132.4 million in 2010. Overall revenue increased by $12.7 million compared to the prior year results, primarily due to increases in property taxes, sales and user fees, and government transfers. These increases were offset by revenue decreases in contributed assets, developer contributions and levies, and franchise fees. Overall expenses increased by $11.0 million compared to the prior year results, primarily due to costs related to amortization and landfill remediation.

- the consolidated statement of cash flows reported a year over-year decrease of $12.7 million in the City's cash and cash equivalents position, to $37.6 million. This decrease was primarily the result of the City's repayment of long-term debt and its investment activities. Specifically, the City repaid $4.8 million in long term debt to reduce total amounts owing to $66.2 million, and applied its new investment policy which resulted in the investment of excess cash to capitalize on higher long-term investment returns.

Significant Variances or Events

While the City was able to implement its business plans and budgets essentially as expected, the City's financial statements were affected by a number of unexpected events during the year. These events resulted in variances, both favourable and unfavourable, in relation to the City's initial operating budget expectations.

These variances in the City's operating budget/activities affected the City's operating budget surplus. Significant variances included a combined $0.77 million shortfall in RCMP and municipal enforcement fines, and favourable variances related to Servus Place lesson fees ($0.32 million), police prevention ($0.31 million), and interest income ($0.27 million). The combined variances resulted in an operating budget surplus of approximately $0.6 million, of which $0.5 million was transferred by City Council to its Stabilization Reserve.

While the City's cash and cash equivalents position experienced a substantial decrease of $12.7 million in 2010, this was a direct result of the City's new efforts to invest excess cash in a conservative bond portfolio. This strategy resulted in higher investment returns for the City, while maintaining the City's ability to ensure that appropriate levels of working capital are maintained.

Other significant events occurred in the areas of long-term debt repayment, infrastructure (tangible capital asset) maintenance and acquisition, and financial reserve allocations.

These include:

- a repayment of $4.8 million in long-term debt combined with the decision to issue no additional borrowing in 2010. This resulted in an improved debt position of $66.2 million from $71.0 million.
- a $1.3 million reduction in the City's landfill liability related to the City's Riel Park revitalization project.
- a $15.0 million increase in the net book value of the City's tangible capital assets, to $727.8 million. These tangible capital assets typically take the form of municipal infrastructure, including civic facilities, roadways, equipment, etc., and are critical to the City's ongoing ability to support overall quality of life in the community.
- a $13.5 million increase in the City's reserve balance (i.e. restricted accumulated surplus), to $51.5 million. The City's reserves are held for both operating and capital purposes, and are segmented by entity, type, and intended use, and are required in accordance with detailed future modeling and replacement plans.

Financial Analysis Review

Variance Analysis

St. Albert's operating budget lays out the revenues and expenditures planned for the upcoming year to deliver services to its citizens. Relative to capital priorities for the budget year, proposed capital project expenditures and their sources of funding are identified and approved by City Council. Essentially, the City's fiscal plan is prepared on the basis of ensuring sufficient cash is available to meet obligations for the upcoming year. This methodology in approving operating and capital budgets is not consistent with the presentation of the City's reported results in the consolidated financial statements. Note 14 to the consolidated financial statements serves to provide a reconciliation of the consolidated annual surplus to the City's operating surplus based on the methods used to prepare the City's Fiscal Plan. Budget variances within the City's operations as compared to the approved operating budget include:

Significant Favourable Variances	Amount
Tax Revenue / Penalties on taxes	108,000
Servus Place - Recreation Passes / Lesson Fees	317,000
Fountain Park Pool	168,000
St. Albert Transit - Advertising	165,000
Land Use Planning - Subdivision Fees	192,000
Net Interest Income	265,000
Community Services - Donations	126,000
Communications (Emergency) – Additional Revenue	80,000
St. Albert Transit - Transit Contract	85,000
Police Prevention - RCMP Contract	305,000
Other	70,000
Subtotal	$1,881,000
Significant Unfavourable Variances	**Amount**
Snow Removal	(163,000)
Communications (Emergency) – CUPE Wages	(107,000)
Police Prevention - Fines RCMP	(395,000)
Municipal Enforcement - Fees	(366,000)
Ambulance	(250,000)
Subtotal	($1,281,000)
Total	($600,000)
Transfer to Stabilization Reserve	($500,000)
Year End Operating Surplus (excluding utilities, library and the Arts & Heritage Foundation)	**$100,000**

Financial Assets

The Consolidated Statement of Financial Position summarizes the City's financial asset position as at December 31, 2010. The City's financial assets increased by $15.1 million to $96.4 million during the year, primarily due to the receipt of a $14.3 million government transfer for capital in relation to the reimbursement of Ray Gibbon Drive construction costs. A decision to invest this and other excess cash for higher investment returns resulted in a $12.7 million decrease in cash and cash equivalents to $37.6 million, with a corresponding increase of $29.0 million in investments to $48.0 million. Other factors included a $1.5 million decrease in accounts receivable to $8.6 million and a slight increase of $0.3 million in taxes receivable to $2.2 million. Inventories and lands held for resale were essentially unchanged.

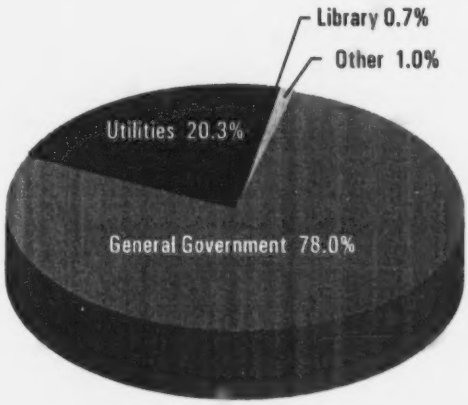
These results reflect the City's improved financial asset position, and application of its new Cash Management Policy and Investment Policies. The City maintains a sufficient amount of resources that could be converted to cash if necessary, as well as assets available to address current and future liabilities or commitments.

The City's accumulated surplus of $707.8 million is the product of the minor general surpluses or deficits in each of the City's entities, plus significant amounts restricted as reserves or invested in tangible capital assets.

The City's reserve balance increased by $13.5 million over prior year results. Schedule 1 to the consolidated financial statements provides details relating to the $51.5 million reserve balance. Reserves are an important tool used by municipalities to set aside funds to replace existing capital assets, respond to emergent needs, and fund future capital projects. High reserves can contribute to a municipality's fiscal health, but reserve balances may increase for a time and then decrease significantly to address planned capital requirements. Historically, the City of St. Albert has taken a rather conservative approach to reserve accumulation. The City's reserves are held for both operating and capital purposes, and are segmented by entity, type, and intended use.

In order to improve the accountability, planning and management of its reserves, the City has established a Reserve Policy C-FS-01. This policy and the related administrative processes support accountability, transparency, clear monitoring and reporting, long-term fiscal planning, and improved cash management by identifying cash flows which will assist in potential longer-term investment opportunities and internal financing capacity. Initial establishments of reserves, as well as transfers to and from reserves, requires the approval of City Council.

2010 Reserves By Type



Other significant events occurred in the areas of long-term debt repayment, infrastructure (tangible capital asset) maintenance and acquisition, and financial reserve allocations.

These include:

- a repayment of $4.8 million in long-term debt combined with the decision to issue no additional borrowing in 2010. This resulted in an improved debt position of $66.2 million from $71.0 million.
- a $1.3 million reduction in the City's landfill liability related to the City's Riel Park revitalization project.
- a $15.0 million increase in the net book value of the City's tangible capital assets, to $727.8 million. These tangible capital assets typically take the form of municipal infrastructure, including civic facilities, roadways, equipment, etc., and are critical to the City's ongoing ability to support overall quality of life in the community.
- a $13.5 million increase in the City's reserve balance (i.e. restricted accumulated surplus), to $51.5 million. The City's reserves are held for both operating and capital purposes, and are segmented by entity, type, and intended use, and are required in accordance with detailed future modeling and replacement plans.

Financial Analysis Review

Variance Analysis

St. Albert's operating budget lays out the revenues and expenditures planned for the upcoming year to deliver services to its citizens. Relative to capital priorities for the budget year, proposed capital project expenditures and their sources of funding are identified and approved by City Council. Essentially, the City's fiscal plan is prepared on the basis of ensuring sufficient cash is available to meet obligations for the upcoming year. This methodology in approving operating and capital budgets is not consistent with the presentation of the City's reported results in the consolidated financial statements. Note 14 to the consolidated financial statements serves to provide a reconciliation of the consolidated annual surplus to the City's operating surplus based on the methods used to prepare the City's Fiscal Plan. Budget variances within the City's operations as compared to the approved operating budget include:

Significant Favourable Variances	Amount
Tax Revenue / Penalties on taxes	108,000
Servus Place - Recreation Passes / Lesson Fees	317,000
Fountain Park Pool	168,000
St. Albert Transit - Advertising	165,000
Land Use Planning - Subdivision Fees	192,000
Net Interest Income	265,000
Community Services - Donations	126,000
Communications (Emergency) – Additional Revenue	80,000
St. Albert Transit - Transit Contract	85,000
Police Prevention - RCMP Contract	305,000
Other	70,000
Subtotal	$1,881,000
Significant Unfavourable Variances	**Amount**
Snow Removal	(163,000)
Communications (Emergency) – CUPE Wages	(107,000)
Police Prevention - Fines RCMP	(395,000)
Municipal Enforcement - Fees	(366,000)
Ambulance	(250,000)
Subtotal	($1,281,000)
Total	($600,000)
Transfer to Stabilization Reserve	($500,000)
Year End Operating Surplus (excluding utilities, library and the Arts & Heritage Foundation)	**$100,000**

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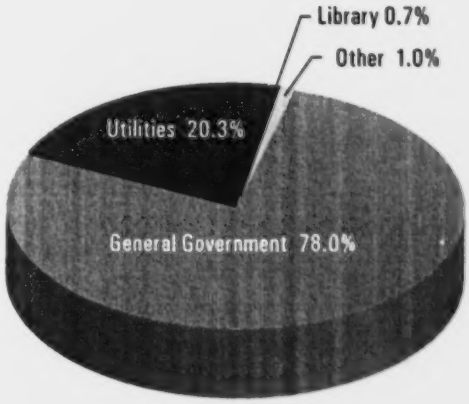
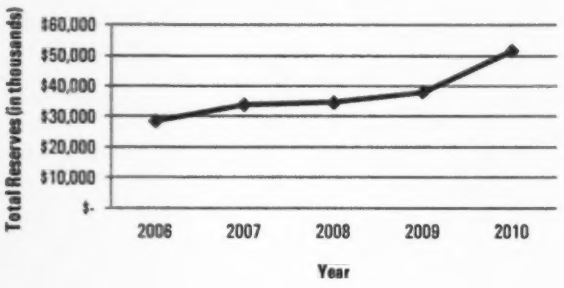
2010 Reserves By Type



Reserve Balance Trend



Financial Liabilities

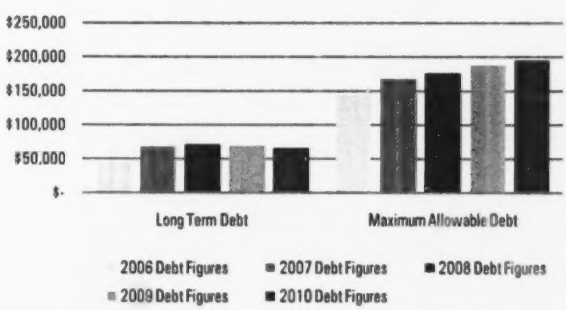
The Consolidated Statement of Financial Position summarizes the City's financial liability position as at December 31, 2010. The City's total financial liabilities of $118.0 million improved by $4.9 million compared to prior year results, primarily due to decreases in the City's long-term debt and landfill liability.

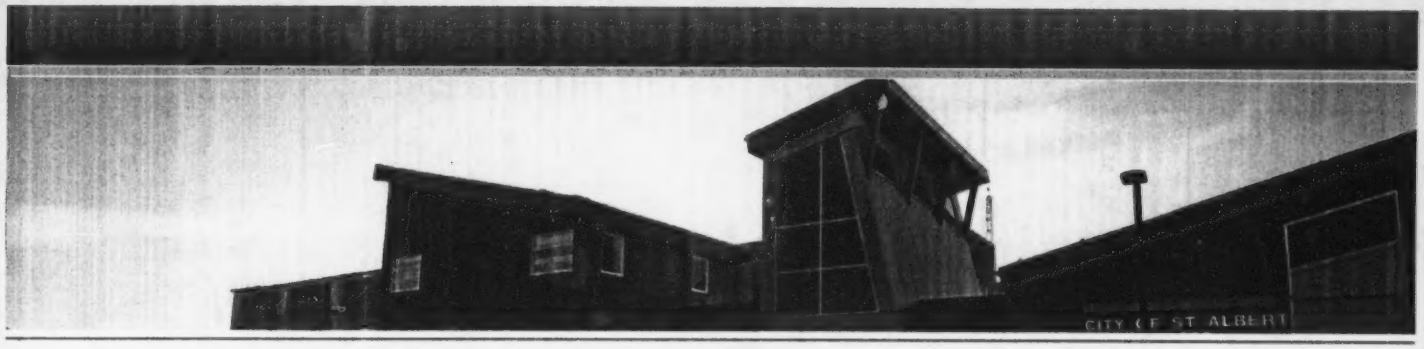
The City's repayment of $4.8 million in long-term debt and decision to issue no additional borrowing in 2010 improved its debt position to $66.2 million from $71.0 million. The $1.3 million reduction in the City's landfill liability was also a positive result, and, following the completion of phases three and four of the City's Riel Park revitalization project, the landfill liability will be fully addressed. Other financial liabilities include accounts payable and accrued liabilities of $18.8 million, which have increased by $2.4 million from $16.4 million in 2009. Deferred revenue of $29.2 million decreased by $1.2 million from $30.4 million in 2009. Use of these deferred revenues remains restricted until the timing or conditions associated with the revenue have been satisfied.

The majority of the City's existing long term debt relates to two projects approved in 2004 – the first stages of Ray Gibbon Drive and the construction of Servus Credit Union Place. These two projects alone, due to their significance, resulted in two 20-year external borrowings that increased the City's debt by approximately $22 million and $38 million, respectively. While the debt requirements for the two major projects were significant, the City will remain within debt limits established by the Province of Alberta and the stricter limits the City has established for itself through its Debt Management Policy C-FS-03. As borrowings are retired over the next 20 years the City's debt position will continue to improve.

The City's Debt Management Policy C-FS-03 is used to manage borrowing capacity for future capital assets, maintain maximum flexibility of current operating funds, and limit the impact that debt charges will have on future tax and utility rates through internal limits on borrowing. All borrowing completed by the City has been in the form of debentures through the Alberta Capital Finance Authority. These borrowings leverage the Province's strong debt rating and the combined borrowings of other municipalities and education authorities in Alberta. Interest rates are established at the time of borrowing and remain constant throughout it term, eliminating the risk associated with rate fluctuations. Debt servicing payments are made annually or semi-annually.

Long Term Debt vs. Debt Capacity



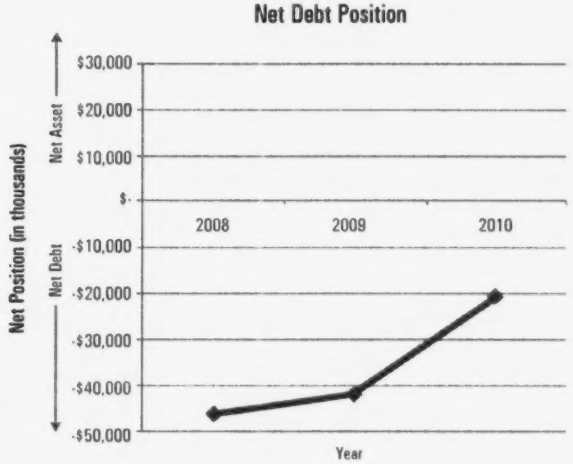


Net Debt

A government's net debt position is a function of its total financial liabilities less its total financial assets. This calculation is a key financial indicator related to the City's financial position as it reflects the relationship between annual surplus, tangible capital asset acquisitions/disposals/amortizations, and treatment of other inventories or expenses. The Consolidated Statement of Changes in Net Debt summarizes the City's net debt position, which improved by $20.0 million to -$21.6 million due to the City's increased financial assets and decreased financial liabilities. Again, significant influences in this regard were a decrease in long-term debt, a decrease in the City's landfill liability, and an increase in the City's investment portfolio as a result of a major government transfer for capital.

Overall, a net debt position is not necessarily a sign of poor fiscal health. This calculation is strongly influenced by the City's efforts to reduce other liabilities such as its infrastructure deficit, which requires a focus on tangible capital asset maintenance and acquisition. Nevertheless, management believes that the City's continued improvement in this area is also a sign of improving fiscal condition.

Net Debt Position

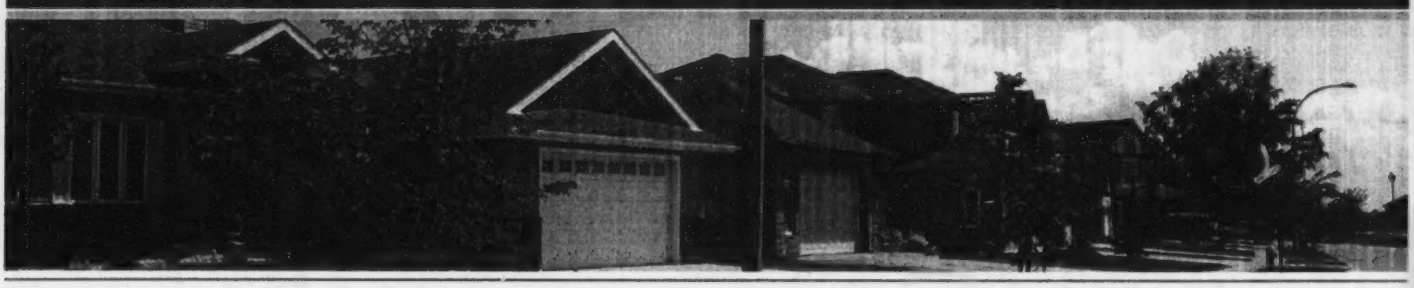


Non-Financial Assets

Non-financial assets, summarized on the Consolidated Statement of Financial Position, include tangible capital assets, inventories of materials and supplies, and prepaid expenses. In 2010, the value of the City's non-financial assets increased by $15.4 million to $729.5 million. The majority of this increase related to an increase in tangible capital assets of $15.0 million, to $727.8 million. Tangible capital assets typically take the form of municipal infrastructure, including civic facilities, roadways, equipment, etc. These assets provide significant value to the community, as these assets directly impact a community's productivity, level of investment, and overall quality of life.

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less estimated salvage value, of the tangible capital assets is amortized on a straight-line basis over the assets' estimated useful lives, ranging from 5 to 75 years. Prior to 2009, tangible capital asset additions were expensed in the year of acquisition and construction. In 2009, the City implemented PSAB section PS 3150 – Tangible Capital Assets, which was an important step in improving the management of the City's assets. This implementation also had large implications across the corporation, as it required a complete inventory of tangible capital assets and adjustments to business and financial policies, processes, and systems. The City will continue to refine and enhance its implementation and ongoing sustainment efforts to maintain compliance with this new standard.

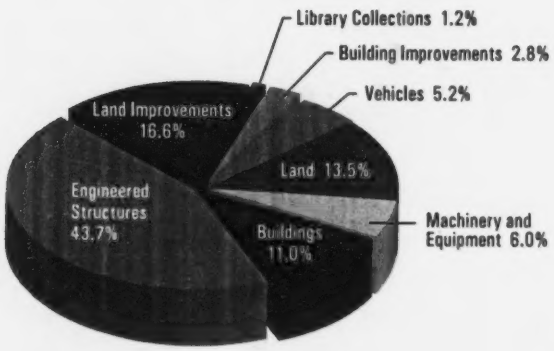
The City's investments in capital infrastructure are in accordance with its approved Capital Budget and 10 Year Capital Plan. City Council approves budgets for each capital project based on the maximum forecast expenditure for the year to accommodate the associated



planning and scheduling requirements. There is typically a portion of the year's budget carried forward to future years for projects not completed within the fiscal year, and as a result budgets are not directly comparable with current year actual amounts.

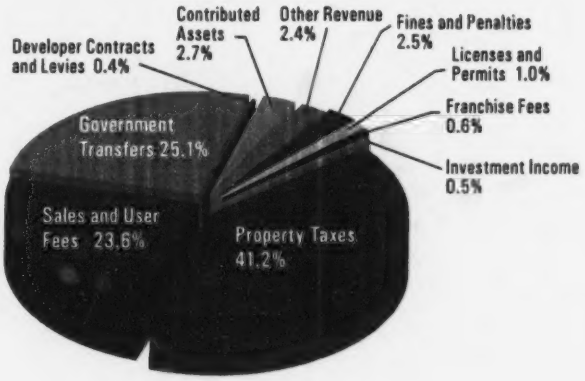
In 2010, capital spending was primarily focused on engineered structures and land improvements. Of the City's total capital spending, $33.8 million qualified as tangible capital assets acquisitions. There were no tangible capital asset write-downs in 2010. The City plans to continue to maintain its commitment to infrastructure maintenance and upgrades over time, as a means to address the elements within its 10 Year Capital Plan.

2010 Tangible Capital Asset Acquisitions



Revenues

2010 Revenue by Object



The Consolidated Statement of Operations and Accumulated Surplus summarizes the City's revenues. Consolidated City revenues of $167.8 million were $34.3 million lower than budgeted amounts for 2010, mainly as a result of significantly lower than expected government transfers. This impact was moderated by higher than expected contributed assets, licenses and permits, investment income, and other revenue. Overall, most of the City's revenues fluctuate moderately with economic conditions, yet its main sources of revenue (property taxation, sales and user fees, and government transfers) are considered relatively stable.

Property Tax revenue of $69.8 million was in line with budget estimates. This figure was higher than 2009 ($66.7 million) as a result of a general municipal property tax increase. The City's 2010 residential tax increase of 2.79% was below the average property tax increase across the Capital Region. The City relied on property taxation for municipal purposes for over 42% of its total revenues in 2010.

Sales and User Fees of $39.9 million were in line with budget estimates. This figure was slightly higher than 2009 ($37.2 million) as a result of an overall increase of 3% that was applied to the majority of user fees charged by the City. The City continues to apply a user pay philosophy in its operations, and expects to implement a new policy-based fee approach in 2011. The City relied on sales and user fees for nearly 24% of its total revenues in 2010.

Government Transfers of $41.5 million were $38.8 million lower than budgeted primarily due to the City not yet receiving provincial funding for the third leg of Ray Gibbon Drive construction. Government transfers were higher than 2009 ($29.0 million) as a result of requiring additional grant funding for numerous capital projects. In 2010 the Province of Alberta consolidated a number of its grant programs and amended the terms for its Municipal Sustainability Initiative (MSI) to defer payments over a longer time period. The City therefore received less grant funding than anticipated in 2010; however the Province has indicated continued support for the MSI which is critical as the City relied on government transfers for nearly 25% of its total revenues in 2010.

Contributed Assets of $4.5 million exceeded budget estimates as the City does not budget for this type of revenue. This figure was lower than 2009 ($7.0 million) as a result of local development companies not completing as much infrastructure development as the prior year.

Developer Contributions and Levies of $0.7 million were $1.2 million lower than budgeted, primarily due to the City's Ray Gibbon Drive (stage 3) project not proceeding. This figure was significantly lower than 2009 ($4.4 million) as a result of fewer 2010 capital projects that required funding from developer contributions.

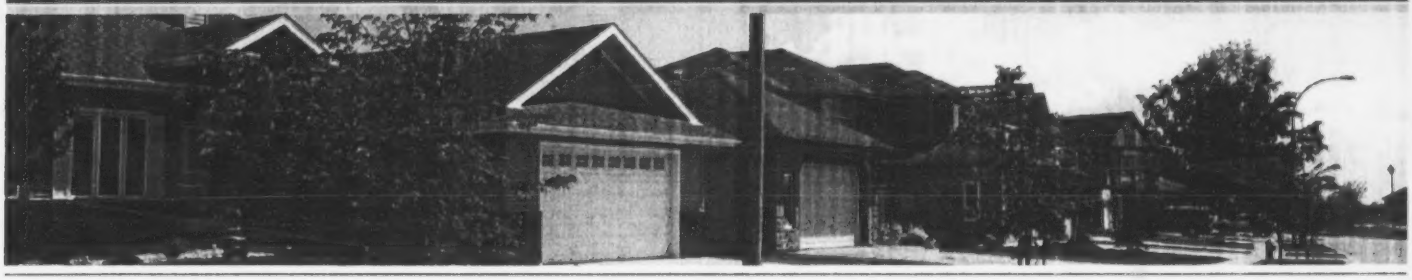
Other Revenue of $4.1 million was $0.9 million higher than budgeted primarily due to unanticipated donations for Fountain Park Recreation Centre. This figure was slightly higher than 2009 ($3.5 million) as a result of the one time donation.

Fines and Penalties of $4.2 million were $0.4 million lower than budgeted primarily due to insufficient staff resources within the RCMP and Municipal Enforcement departments to undertake all planned enforcement activities. This figure was higher than 2009 ($3.5 million) due to an increase in the number of violations and having new enforcement technology available for the full year.

Licences and Permits of $1.7 million were $0.4 million higher than budgeted primarily due to an increase in the issuance of subdivision and development permits. This figure was lower than 2009 ($1.9 million) as a result of continued sluggish development activity across the community. This category is highly sensitive to economic conditions.

Franchise Fees of $1.0 million were on budget for 2010. This figure was lower than 2009 ($1.1 million) as a result of a decrease in natural gas commodity prices. The City's new franchise fee calculation methodology, set to commence in 2011, is expected to mitigate most of the volatility in this area as it is based on the cost of delivery rather than commodity-related market pricing.

Investment Income of $0.8 million was $0.3 million higher than budgeted primarily due to higher portfolio balances and better rates of return than originally anticipated. This figure was higher than 2009 ($0.5 million) as a result of improved market conditions and higher than expected rates of return within the City's investment portfolio.



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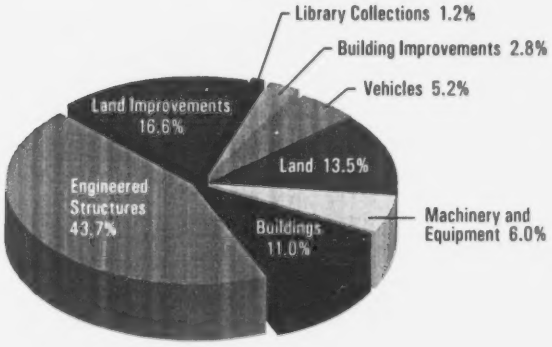

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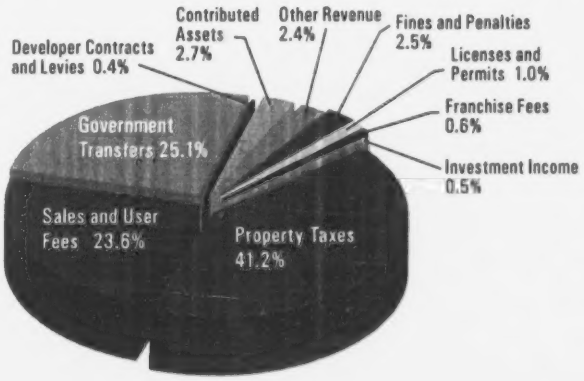

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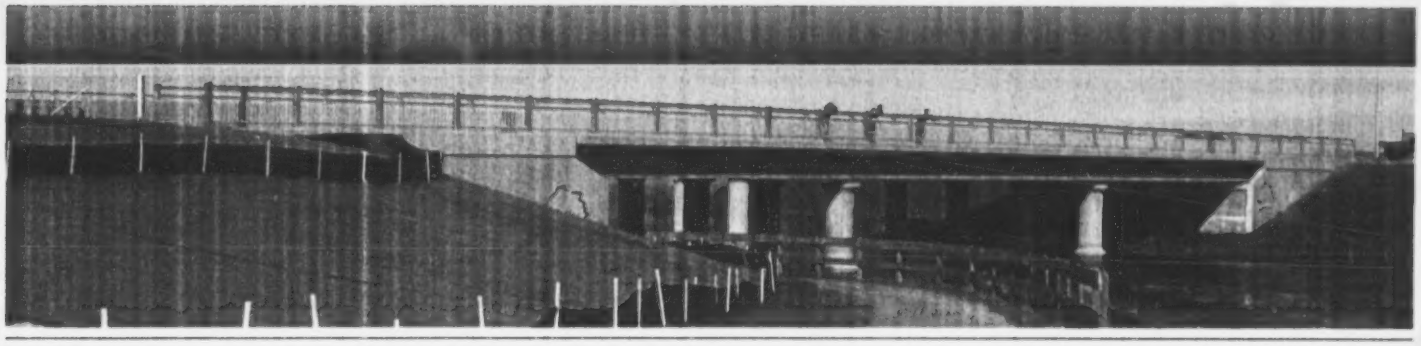

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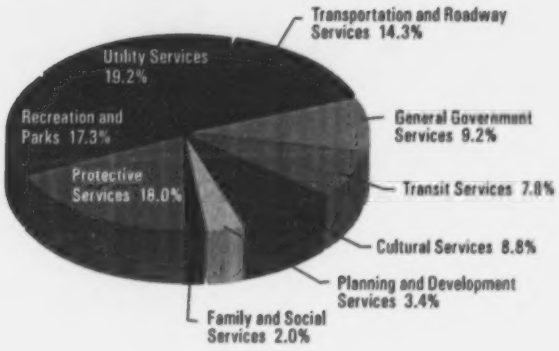
Expenses

2010 Expenses by Function



The Consolidated Statement of Operations and Accumulated Surplus summarizes the City's expenses. Consolidated expenses of $132.4 million were $25.0 million higher than budgeted amounts for 2010, mainly as a result of the City's current practice not to budget for amortization costs. Amortization costs were particularly pronounced in the areas of recreation and parks, utility services, and transportation and roadway services.

Protective Services expenses of $23.9 million were $2.3 million higher than budgeted primarily due to higher than anticipated personnel and equipment costs. This figure was higher than 2009 ($22.6 million) as a result of a negotiated increase in salaries and wages.

Recreation and Parks expenses of $23.0 million were $6.2 million higher than budgeted primarily due to unbudgeted amortization costs and unbudgeted expenditures for various capital projects. This figure was slightly higher than 2009 ($22.3 million) as a result of a general increase in salaries and wages.

Utility Services expenses, including water, wastewater, storm water, and solid waste, of $25.4 million were $5.4 million higher than budgeted primarily due to unbudgeted costs associated with landfill remediation. This figure was higher than 2009 ($21.6 million) as a result of increases for salaries and wages, the cost of water and wastewater treatment, and higher landfill remediation costs. The City does not subsidize its utilities through general taxation, and does not receive a return on investment or dividend return from its utilities.

Transportation and Roadway Services expenses of $19.0 million were $9.0 million higher than budgeted primarily due to unbudgeted amortization costs. This figure was slightly higher than 2009 ($18.6 million) as a result of increases for electricity and salaries and wages.

General Government Service expenses of $12.1 million were $3.9 million lower than budgeted primarily due to the City's practice to budget for salary cost of living adjustments corporately while applying actual expenses to individual program areas. This figure was higher than 2009 ($11.0 million) as a result of increases for salaries and wages and increases for contracted and professional services.

Transit Services expenses of $10.3 million were $1.7 million higher than budgeted primarily due to unbudgeted amortization costs. This figure was higher than 2009 ($9.9 million) as a result of increases in the cost of fuel and to the contract for transit drivers.

Cultural Services expenses of $11.6 million were $2.5 million higher than budgeted primarily due to unbudgeted amortization costs. This figure was higher than 2009 ($9.4 million) as a result of increases for salaries and wages and costs associated with a heritage sites capital project.

Planning and Development Services expenses of $4.6 million were $1.9 million higher than budgeted primarily due to costs related to affordable housing grants that were not included in the budget. This figure

was higher than 2009 ($3.4 million) also as a result of the affordable housing grant expenses which did not occur in 2009.

Family and Social Services costs of $2.7 million were on budget in 2010. This figure was slightly lower than 2009 ($2.8 million) as a result of a provincial affordable housing grant that was received in 2009 but not in 2010.

Included in the above results are debt servicing costs of $8.0 million. This figure was slightly lower than 2009 ($8.1 million), and debt servicing costs are expected to continue to decrease as borrowings are retired over the next 20 years.

Annual Surplus

During 2010, the City realized an excess of revenue over expenses in the amount of $35.4 million. This amount represents the City's Annual Surplus, which is summarized within the Consolidated Statement of Operations and Accumulated Surplus.

The Annual Surplus positively impacts the City's net debt position, but is reduced by the tangible capital asset activities such as acquisitions ($33.8 million) and amortization costs ($18.1 million). These activities and other acquisitions or consumptions resulted in an overall decrease in net debt of $20.0 million.

The City's operating activities also resulted in a modest budget surplus. This budget surplus was the result of an excess in total revenue available for operations relative to total expenses less amortization costs, long-term debt repayments, and transfers. As the Statement of Operations and Accumulated Surplus is based on full accrual accounting and includes amortization expense, revenue from government transfers for capital, and revenue from contributed assets, a reconciliation between the annual surplus on the Statement of Operations and Accumulated Surplus and the City's operating budget results is required. This reconciliation is provided in Note 14 to the consolidated financial statements.

Cash Flows

The Consolidated Statement of Cash Flows summarizes the City's sources and uses of cash. During 2010, the City's cash and cash equivalents position decreased by $12.7 million to $37.6 million. This decrease was a direct result of the application of the City's Cash Management Policy C-FS-04 and Investment Policy C-FS-02, which requires excess cash to be invested in a conservative bond portfolio.

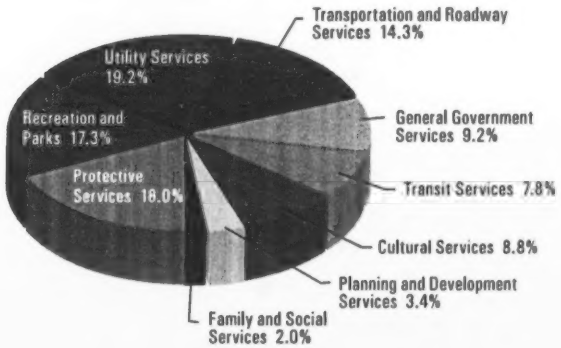
The City's cash position is closely managed and remains adequate, along with short-term investments, to meet ongoing requirements. Management will also continue to conduct analyses to ensure that appropriate levels of working capital are maintained to maximize investment returns, maximize internal borrowing or debt prepayment opportunities, and minimize interest expenses or overdraft charges.

The City's Investment Policy C-FS-02 is used to ensure its investments conform to all provincial statutes and regulations while optimizing investment returns, providing maximum security of principal and meeting the City's daily cash flow requirements. Investments are limited to instruments in which the principal is unconditionally guaranteed, and investment performance is benchmarked against the three month Federal Treasury Bill rate. A report on the City's investment portfolio is presented to City Council on a quarterly basis to ensure accountability for the nature and diversification of the portfolio to the investment policy.

In 2010, the City's long-term bond portfolio had effective rates of 2.43% to 4.5%, with maturity dates ranging between 2013 and 2017. The City's short-

Expenses

2010 Expenses by Function



The Consolidated Statement of Operations and Accumulated Surplus summarizes the City's expenses. Consolidated expenses of $132.4 million were $25.0 million higher than budgeted amounts for 2010, mainly as a result of the City's current practice not to budget for amortization costs. Amortization costs were particularly pronounced in the areas of recreation and parks, utility services, and transportation and roadway services.

Protective Services expenses of $23.9 million were $2.3 million higher than budgeted primarily due to higher than anticipated personnel and equipment costs. This figure was higher than 2009 ($22.6 million) as a result of a negotiated increase in salaries and wages.

Recreation and Parks expenses of $23.0 million were $6.2 million higher than budgeted primarily due to unbudgeted amortization costs and unbudgeted expenditures for various capital projects. This figure was slightly higher than 2009 ($22.3 million) as a result of a general increase in salaries and wages.

Utility Services expenses, including water, wastewater, storm water, and solid waste, of $25.4 million were $5.4 million higher than budgeted primarily due to unbudgeted costs associated with landfill remediation. This figure was higher than 2009 ($21.6 million) as a result of increases for salaries and wages, the cost of water and wastewater treatment, and higher landfill remediation costs. The City does not subsidize its utilities through general taxation, and does not receive a return on investment or dividend return from its utilities.

Transportation and Roadway Services expenses of $19.0 million were $9.0 million higher than budgeted primarily due to unbudgeted amortization costs. This figure was slightly higher than 2009 ($18.6 million) as a result of increases for electricity and salaries and wages.

General Government Service expenses of $12.1 million were $3.9 million lower than budgeted primarily due to the City's practice to budget for salary cost of living adjustments corporately while applying actual expenses to individual program areas. This figure was higher than 2009 ($11.0 million) as a result of increases for salaries and wages and increases for contracted and professional services.

Transit Services expenses of $10.3 million were $1.7 million higher than budgeted primarily due to unbudgeted amortization costs. This figure was higher than 2009 ($9.9 million) as a result of increases in the cost of fuel and to the contract for transit drivers.

Cultural Services expenses of $11.6 million were $2.5 million higher than budgeted primarily due to unbudgeted amortization costs. This figure was higher than 2009 ($9.4 million) as a result of increases for salaries and wages and costs associated with a heritage sites capital project.

Planning and Development Services expenses of $4.6 million were $1.9 million higher than budgeted primarily due to costs related to affordable housing grants that were not included in the budget. This figure

was higher than 2009 ($3.4 million) also as a result of the affordable housing grant expenses which did not occur in 2009.

Family and Social Services costs of $2.7 million were on budget in 2010. This figure was slightly lower than 2009 ($2.8 million) as a result of a provincial affordable housing grant that was received in 2009 but not in 2010.

Included in the above results are debt servicing costs of $8.0 million. This figure was slightly lower than 2009 ($8.1 million), and debt servicing costs are expected to continue to decrease as borrowings are retired over the next 20 years.

Annual Surplus

During 2010, the City realized an excess of revenue over expenses in the amount of $35.4 million. This amount represents the City's Annual Surplus, which is summarized within the Consolidated Statement of Operations and Accumulated Surplus.

The Annual Surplus positively impacts the City's net debt position, but is reduced by the tangible capital asset activities such as acquisitions ($33.8 million) and amortization costs ($18.1 million). These activities and other acquisitions or consumptions resulted in an overall decrease in net debt of $20.0 million.

The City's operating activities also resulted in a modest budget surplus. This budget surplus was the result of an excess in total revenue available for operations relative to total expenses less amortization costs, long-term debt repayments, and transfers. As the Statement of Operations and Accumulated Surplus is based on full accrual accounting and includes amortization expense, revenue from government transfers for capital, and revenue from contributed assets, a reconciliation between the annual surplus on the Statement of Operations and Accumulated Surplus and the City's operating budget results is required. This reconciliation is provided in Note 14 to the consolidated financial statements.

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The City's cash position is closely managed and remains adequate, along with short-term investments, to meet ongoing requirements. Management will also continue to conduct analyses to ensure that appropriate levels of working capital are maintained to maximize investment returns, maximize internal borrowing or debt prepayment opportunities, and minimize interest expenses or overdraft charges.

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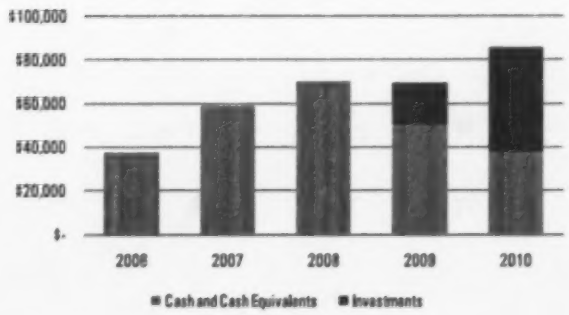
In 2010, the City's long-term bond portfolio had effective rates of 2.43% to 4.5%, with maturity dates ranging between 2013 and 2017. The City's short-

term investments had effective rates between 1.35% and 2.25% with maturity dates ranging between three months and one year. Both of these returns compare favourably to the 2010 Three Month Treasury Bill average return of 0.58%.

Cash and Cash Equivalents vs. Investments



Financial Control and Accountability

The City maintains a number of processes and financial controls to ensure that accountability is maintained and that management is able to proactively identify and address financial challenges.

Financial Governance

Notwithstanding that the City's management is responsible for the preparation of the FSD&A and financial statements, the City's governance structure requires a review of various quarterly reporting, financial policies, audit findings, significant or unusual financial transactions, and accounting treatments or estimates. City Council has established a Standing Committee on Finance to conduct these reviews, and also to assist Council by making recommendations on these matters. City Council is ultimately responsible for approving the City's budget, appointing the auditor, and providing general financial authority and oversight.

Budgeting and Financial Reporting

Based on the input from citizens, businesses, and numerous other stakeholders, City Council establishes an annual operating budget each year. This operating budget includes the required revenues to fund the City's delivery of desired programs and services to the community, and represents City Council's priorities as identified in the City's Strategic Plan, Business Plan, and other sources. From year to year, services may be altered when City Council identifies a clear need. Note that the operating budget is also prepared on the modified cash flow basis. Based on this method the City uses tax revenues, reserve transfers and government transfers for operating to balance its operating budget. The operating budget does not include revenue from contributed assets, government transfers for capital, or amortization expense.

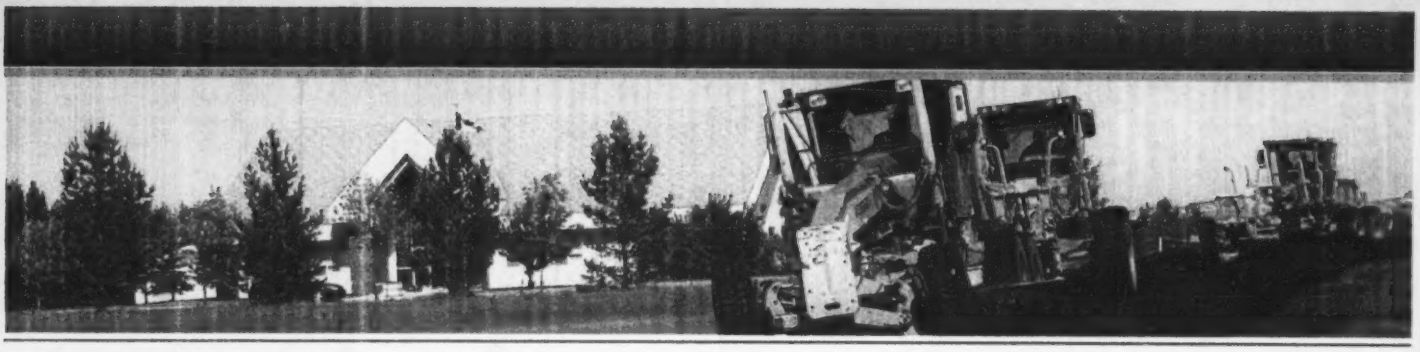
The City also prepares an annual capital budget based on the long-term projections of its 10 Year Capital Plan. Budget items for the current year are carefully reviewed on a project basis, and funded through a variety of mechanisms such as tax revenues, reserve transfers or government transfers. As there is typically a portion of the capital budget carried forward for projects not completed within the fiscal year, budgets are not directly comparable with current year actual amounts.

Accounting Process

The City is organized into various business areas, each responsible for managing the delivery of program services in accordance with the resources allocated to those programs. While all departments share a common accounting and reporting system, financial and accounting services are administered within the Financial Services department and delivered to each business area based on its needs.

Auditing Process

The Municipal Government Act requires a municipal council to appoint an independent auditor. The City's



appointed auditor is KPMG LLP, Chartered Accountants. Following a comprehensive audit process and after working closely with management, the auditor must report to City Council's Standing Committee on Finance with the annual consolidated financial statements. Based on the Committee's recommendation, City Council approved the 2010 Consolidated Financial Statements at its meeting on April 11, 2011.

Risks and Uncertainties

The City is committed to an integrated approach to risk management, where it is viewed as a key component of sound business practice and due diligence. Management promotes a proactive, corporate-wide and systematic approach to managing risks that could affect City objectives.

Normal Operational Risk
In the usual course of business, the City is exposed to various risks that are mitigated through operational and financial controls. These risks include the normal operational risks associated with each of the City's programs and services, as well as social, legal, regulatory, environmental and economic issues or changes that could impact City operations, human resource availability and cost, and investment risk related to volatile financial markets.

Certain financial information is also prepared using estimates and judgments that have been based on careful assessments through the City's management information systems. The City maintains a system of internal controls to provide reasonable assurance as to the fairness and reliability of that information and data. These control systems are regularly reviewed and enhanced as required to ensure the production of timely, accurate and complete financial information to protect and safeguard City assets.

Revenue Volatility
Certain categories of revenue are exposed to economic or other fluctuations. These include revenues related to development permits, gas franchise fees, interest revenue, user fees / charges, government transfers, and so forth.

To address the challenge associated with revenue volatility, the City applies conservative budgeting practices, monthly variance forecasting, a long-term investment strategy, a new methodology for franchise fee calculation based on the stable cost of delivery, and various environmental scanning techniques to identify market changes. The City also continues to lobby higher orders of government, either independently or through its municipal associations, for sufficient and reliable transfers.

Infrastructure Replacement
Municipal infrastructure is required to support a community's economy and quality of life. To ensure that sufficient local infrastructure is available, the City applies long term construction and maintenance plans or strategies. In many cases, the City's identified infrastructure requirements exceed its funding capacity; therefore City Council engages in prioritization and seeks alternative sources of funding, such as borrowing or government transfers. If not addressed, a municipality's infrastructure deficit could result in lost productivity, damage to property, and decreased quality of life.

Insurance Loss
The City maintains an insurance program to cover losses related to its activities, operations, assets and infrastructure. This program is comprised of two components: an insurance program purchased through an insurance broker and a self-funded insurance program for all losses falling below policy deductibles. The City's approach to risk management attempts to achieve a balance between risk and total cost.

A claims reserve was established to fund the City's self-insured program. The reserve is funded up to the 95th percentile of the City's claims retention fund, as indicated in the most current loss projection analysis report provided by an external consultant.

Environmental Risk

The City employs environmental management professionals to assist departments in complying with environmental laws and regulations. The City has also adopted environmental systems which provide a sound model to effectively deal with environmental impacts associated with the City's activities. Policies and procedures have also been adopted to govern the City's approaches.

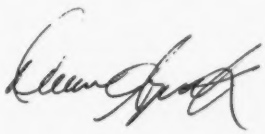
Future Outlook

St. Albert is recognized as a vibrant community enjoying high service levels and an excellent quality of life. To maintain and enhance this quality of life, the City must continue to address challenges related to the community's limited non-residential assessment base, organizational costs which typically outpace the rate of consumer inflation, unpredictable government transfers, and relatively slow development or population growth.

This situation will require a continued focus on fiscal sustainability, which includes efforts to attract non-residential investment, foster innovation throughout the organization, and secure sufficient and reliable government funding to address civic infrastructure and operating requirements. Funding shortfalls have a particularly noticeable impact on the City's 10 Year Capital Plan, which articulates the community's capital maintenance and upgrade requirements.

As global and local economic conditions continue to improve, management expects a corresponding improvement in various City revenues such as licences and permits, sales and user fees, investment income, and government transfers. Management will continue to exercise caution in the City's financial management, and will continue to monitor economic conditions to ensure that prompt recommendations are made to Council in the case that adjustments to business plans and budgets are required. Indeed, the City will continue to develop strategies and seek the necessary funding to undertake projects required to maintain the programs, services, and infrastructure that St. Albertans expect.

The delivery of this report, and St. Albert's continued success in meeting its fiscal challenges, are made possible through the continuing efforts of the City's staff. My appreciation is extended to all departments for their ongoing cooperation and assistance.



Dean Screpnek, CMA, CLGM
Chief Financial Officer
April 11, 2011

Canadian Award for Financial Reporting

For the last ten years, the City has received a Canadian Award for Financial Reporting for its Annual Financial Reports. This award, presented by the Government Finance Officers Association of the United States and Canada (GFOA), is presented to governments across Canada who publish high-quality financial reports.

In order to qualify, a government must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards beyond the minimum requirements prescribed by Canada's generally accepted accounting principles. Such a report should clearly communicate the municipality's financial condition, enhance an understanding of financial reporting, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. The City of St. Albert believes its current Report continues to conform to the program award requirements and will therefore again forward it to the Government Finance Officers Association for award consideration.

Canadian Award for Financial Reporting

Presented to

The City of St. Albert
Alberta

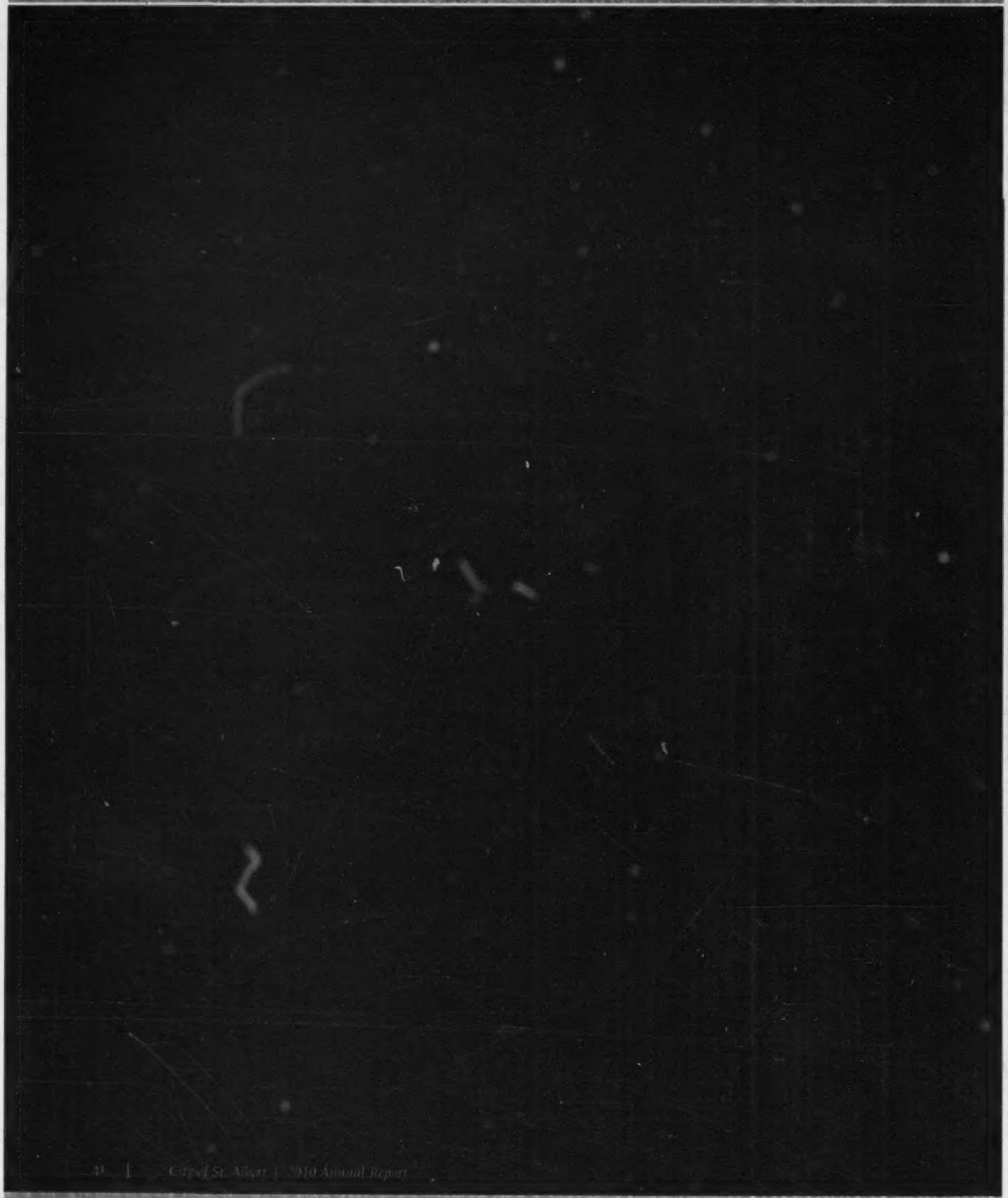
For its Annual
Financial Report
for the Year Ended

December 31, 2009

A Canadian Award for Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units whose annual financial reports achieve the highest program standards for Canadian Government accounting and financial reporting.

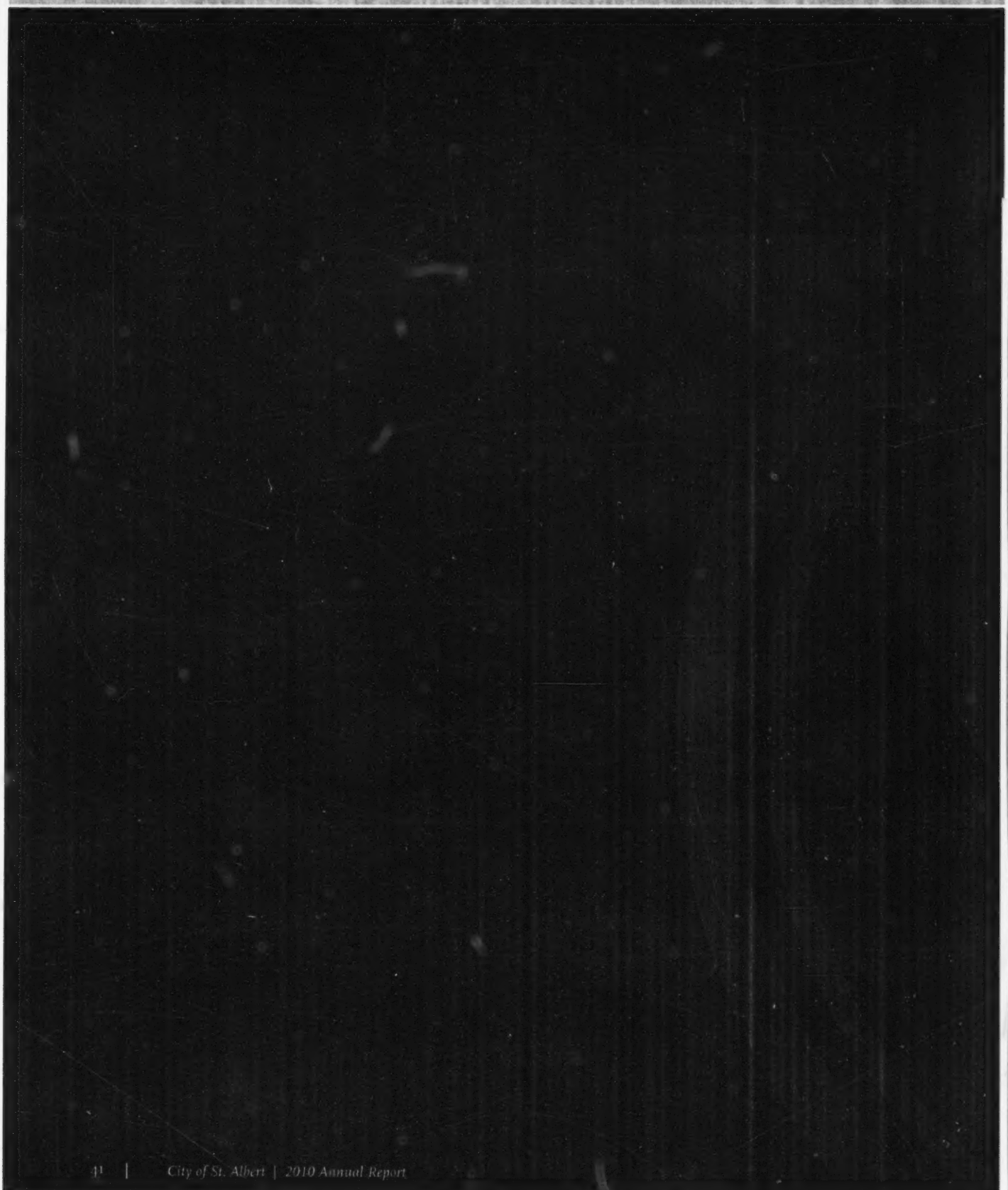
President

Executive Director



FINANCIAL SECTION

Management's Report
Independent Auditors' Report
Audited Financial Statements
- Consolidated Statement of Financial Position
- Consolidated Statement of Operations and Accumulated Surplus
- Consolidated Statement of Changes in Net Debt
- Consolidated Statement of Cash Flows
- Notes to the Financial Statements



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MANAGEMENT'S REPORT

To the Mayor and members of Council of the City of St. Albert.

The management of the City of St. Albert is responsible for the integrity of the accompanying consolidated financial statements and all other information within this Annual Report. The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The preparation of the consolidated financial statements necessarily includes some amounts which are based on management's best estimates.

To assist in meeting its responsibility, management maintains accounting, budget and other financial controls. These controls provide reasonable assurance that transactions are appropriately authorized, accurately recorded, and that assets are properly accounted for and safeguarded. This is done in order to maintain the integrity of the financial records.

The consolidated financial statements have been audited by the independent firm of KPMG LLP. Their report to City Council, stating the scope of their examination and opinion on the consolidated financial statements, follows.

Bill Holtby
City Manager
April 11, 2011

Dean Screpnek, CMA, CLGM
General Manager, Corporate Services
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To the Mayor and members of Council of the City of St. Albert

We have audited the accompanying consolidated financial statements of the City of St. Albert ("the City"), which comprise of the consolidated statement of financial position as at December 31, 2010 and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the City's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of St. Albert as at December 31, 2010 and its consolidated results of its operations, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants

Edmonton, Canada | April 11, 2011

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2010 with Comparative Figures for 2009 (in thousands of dollars)

	2010	2009 (Restated Note 11)
Financial Assets		
Cash and Cash Equivalents (Note 2)	$ 37,551	$ 50,272
Accounts Receivable	8,573	10,051
Taxes Receivable	2,152	1,835
Inventories Held for Resale	17	18
Land Held for Resale	60	60
Investments (Note 2)	48,040	19,063
Total Financial Assets	96,393	81,299
Financial Liabilities		
Accounts Payable and Accrued Liabilities	18,823	16,416
Deferred Revenue (Note 3)	29,189	30,386
Long-Term Debt (Note 4)	66,169	70,964
Landfill Liability (Note 5)	3,855	5,158
Total Financial Liabilities	118,036	122,904
Net Debt	(21,643)	(41,605)
Non-Financial Assets		
Tangible Capital Assets (Note 6)	727,767	712,757
Inventories of Materials and Supplies	987	1,052
Prepaid Expenses	696	221
Total Non-Financial Assets	729,450	714,030
Accumulated Surplus (Note 7)	$ 707,807	$ 672,425

Commitments and Contingencies (Note 8)

Approved By:

Mayor

City Manager

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year Ended December 31, 2010 with Comparative Figures for 2009 (in thousands of dollars)

	2010 Budget (Note 14)	2010	2009 (Restated Note 11)
Revenue			
Property Taxes (Note 9)	$ 69,743	$ 69,801	$ 66,739
Government Transfers (Note 10)	80,292	41,446	29,045
Sales and User Fees	39,463	39,911	37,201
Contributed Assets	-	4,536	6,976
Fines and Penalties	4,670	4,243	3,509
Other Revenue	3,215	4,097	3,536
Licenses and Permits	1,292	1,705	1,870
Franchise Fees	1,012	1,031	1,132
Investment Income	454	773	545
Developer Contributions and Levies	1,933	693	4,392
Gain (Loss) on Sales of Tangible Capital Assets	-	(427)	161
Total Revenue	202,074	167,809	155,106
Expenses			
General Government Services	16,017	12,087	10,974
Protective Services	21,557	23,859	22,568
Recreation and Parks	16,725	22,950	22,341
Utility Services	19,975	25,416	21,558
Transportation and Roadway Services	10,045	18,959	18,579
Transit Services	8,591	10,297	9,908
Cultural Services	9,135	11,589	9,426
Planning and Development Services	2,738	4,593	3,398
Family and Social Services	2,691	2,677	2,786
Total Expenses	107,474	132,427	121,538
Annual Surplus	94,600	35,382	33,568
Accumulated Surplus Beginning of Year, as Previously Reported	672,425	668,569	634,814
Restatement (Note 11)	-	3,856	4,043
Beginning Accumulated Surplus, as Restated	672,425	672,425	638,857
Accumulated Surplus End of Year	$ 767,025	$ 707,807	$ 672,425

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

Year Ended December 31, 2010 with Comparative Figures for 2009 (in thousands of dollars)

	2010 Budget (Note 14)	2010	2009 (Restated Note 11)
Annual Surplus	$ 94,600	$ 35,382	$ 33,568
Acquisition of Tangible Capital Assets	(92,240)	(33,800)	(47,279)
Proceeds on Disposal of Tangible Capital Assets	-	247	719
Amortization of Tangible Capital Assets	-	18,116	17,523
Loss (Gain) on Sales of Tangible Capital Assets	-	427	(161)
	2,360	20,372	4,370
Acquisition of Inventories of Materials and Supplies	-	(987)	(1,052)
Acquisition of Prepaid Expenses	-	(696)	(221)
Consumption of Inventories of Materials and Supplies	-	1,052	1,083
Use of Prepaid Expenses	-	221	135
	-	(410)	(55)
Decrease in Net Debt	2,360	19,962	4,315
Net Debt at Beginning of Year	(41,605)	(41,605)	(45,920)
Net Debt at End of Year	$ (39,245)	$ (21,643)	$ (41,605)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2010 with Comparative Figures for 2009 (in thousands of dollars)

	2010	2009 (Restated Note 11)
Cash Provided By (Used In)		
Operating Activities		
Annual Surplus	$ 35,382	$ 33,568
Items Not Involving Cash:		
Amortization	18,116	17,523
Tangible Capital Assets Received as Contributions	(4,536)	(6,976)
Loss (Gain) on Disposal of Tangible Capital Assets	427	(161)
	49,389	43,954
Change in Non-Cash Assets and Liabilities:		
Accounts Receivable	1,478	(1,526)
Taxes Receivable	(317)	(511)
Inventories Held for Resale	1	6
Accounts Payable and Accrued Liabilities	2,407	(427)
Deferred Revenue	(1,177)	(1,364)
Landfill Liability	(1,303)	42
Inventories of Materials and Supplies	65	31
Prepaid Expenses	(475)	(86)
Net Cash From Operating Activities	50,068	40,119
Capital Activities		
Acquisition of Tangible Capital Assets	(29,264)	(40,303)
Proceeds on Disposal of Tangible Capital Assets	247	719
Net Cash Used by Capital Activities	(29,017)	(39,584)
Investing Activities		
Purchase of Investments, Net	(28,977)	(18,897)
Financing Activities		
Issue of Long-Term Debt	-	3,804
Repayment of Long-Term Debt	(4,795)	(4,649)
Net Cash Used by Financing Activities	(4,795)	(845)
Decrease in Cash and Cash Equivalents During Year	(12,721)	(19,207)
Cash and Cash Equivalents at Beginning of Year	50,272	69,479
Cash and Cash Equivalents at End of Year	$ 37,551	$ 50,272
Cash Paid for Interest	$ 3,331	$ 3,468
Cash Received for Interest	$ 1,075	$ 732

The accompanying notes are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2010 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City of St. Albert (the "City") are the representations of management and have been prepared in accordance with Canadian public sector accounting standards.

Significant accounting policies adopted by the City are as follows:

a. Basis of Consolidation

i. Consolidating Entities:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The entity is comprised of all organizations, committees and local boards that are owned or controlled by the City and are, therefore, accountable to the Council for the administration of their financial affairs and resources. In addition to the City's municipal government operations, entities include the City of St. Albert Public Library and the Arts & Heritage Foundation of St. Albert. Inter-departmental and inter-organizational transactions and balances between these organizations have been eliminated.

ii. Accounting for School Board Entities:

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of School Boards are not reflected in these consolidated financial statements.

b. Use of Estimates

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, landfill liability and in performing actuarial valuations of employee future benefits.

In addition, the City's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical cost and useful lives of tangible capital assets.

Actual results could differ from those estimates and may impact future periods.

c. Basis of Accounting

The City follows the accrual basis of accounting. The City organizes and operates its accounting system to segregate programs which reflect the net costs of carrying on a specific activity. These programs are organized and operate as separate accountable entities of the City. Revenue, which is not directly related to any specific program, is reflected in General Municipal Revenue.

i. Revenue

Revenue is accounted for in the period in which it is earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

ii. Expenses

Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

d. Land Held for Resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale or servicing.

e. Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the straight-line basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

f. Inventories Held for Resale

Inventories held for resale consist mainly of concession inventory and are valued at lower of cost and net realizable value.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g. Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for the use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations.

i. Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital asset, excluding land, is amortized on a straight-line basis over the estimated useful life as follows:

Buildings and Building Improvements	25 to 50 years
Land Improvements	10 to 30 years
Library Collections	5 years
Library Leasehold Improvements	5 years
Engineered Structures	
Roadway System	15 to 60 years
Water System	35 to 75 years
Wastewater System	35 to 75 years
Storm System	35 to 75 years
Machinery and Equipment	10 to 25 years
Vehicles	10 to 25 years

One-half of annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are recorded as revenue.

Cultural and historical assets such as works of art, historical and heritage sites are not recorded as tangible capital assets in these financial statements.

The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

ii. Inventories of Materials and Supplies

Inventories of materials and supplies consist mainly of parts and road maintenance materials and are valued at the lower of cost and replacement cost.

h. Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, and that are not the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

i. Pension Expenses

Contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

j. Landfill Liability

The liability for closure of operational sites and post-closure care has been recognized based on estimated future expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2010 (in thousands of dollars)

2. CASH AND INVESTMENTS

a. Cash and Cash Equivalents

	2010	2009
Cash	$ 27,524	$ 17,040
Cash Equivalents	10,027	33,232
	$ 37,551	$ 50,272

Cash includes cash on hand and balances with banks, net of bank overdrafts.

Cash equivalents are comprised of Short Term Deposits, Bankers Acceptances, Commercial Papers and guaranteed notes having yields ranging from 1.2% to 1.4% (2009 0.37% to 0.51%) maturing within 3 months.

b. Investments

	2010		2009	
	Carrying Value	Market Value	Carrying Value	Market Value
Short-Term Notes and Deposits	$ 29,092	$ 29,092	$ 18,889	$ 18,889
Corporate Bonds	17,130	16,738	-	-
Government Bond	1,636	1,612	-	-
Credit Union Shares	182	182	174	174
	$ 48,040	$ 47,624	$ 19,063	$ 19,063

Short-term notes and deposits have effective rates of 1.35% to 2.25% (2009 1.10% to 1.35%), are for fixed terms, and have maturity dates ranging between 3 months and one year.

The City's bond portfolio has effective rates of 2.43% to 4.5%, with maturity dates ranging between 2013 and 2017.

The cost of certain corporate and government bonds exceed market value as at December 31, 2010. It is management's intent to hold these bonds to maturity and management is of the opinion that the loss in value is a temporary decline. No adjustment was made to reduce the carrying value of investments in the current year (2009-10).

3. DEFERRED REVENUE

Pursuant to funding agreements with the Provincial and/or Federal Government, the use of these funds together with any earnings thereon is restricted to eligible expenditures on operating or capital projects as approved by the governments. These funds are recognized as revenue in the period they are used for the purpose specified:

	2009	Contributions	Interest Earned	Applied	2010
Operating					
MSI - Affordable Housing	$ 3,222	$ 1,925	$ 24	$ (3,977)	$ 1,194
Library	142	119	-	(142)	119
Utilities	136	-	-	(5)	131
Servus Place	824	2,869	-	(2,820)	873
Performing Arts	164	92	-	(164)	92
Licensing	198	179	-	(198)	179
Other Miscellaneous	372	269	-	(302)	339
Community	108	150	-	(129)	129
Art's & Heritage Foundation	189	246	-	-	435
Total Operating	5,355	5,849	24	(7,737)	3,491
Capital					
Alberta Municipal Infrastructure Program	11,128	-	99	(5,341)	5,886
Basic Capital Grant	3,688	3,510	44	(2,956)	4,286
Municipal Sustainability Initiative	3,465	10,306	89	(6,987)	6,873
New Deal for Cities and Communities	4,859	-	30	(4,618)	271
New Deal for Cities and Communities - Public Transit	369	-	4	-	373
Developer Contributions	1,068	6,483	40	-	7,591
Other	434	69	5	(90)	418
Total Capital	25,011	20,368	311	(19,992)	25,698
Total Deferred Revenue	$ 30,366	$ 26,217	$ 335	$ (27,729)	$ 29,189

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2010 (in thousands of dollars)

4. LONG-TERM DEBT

a. Long-term debt consists of debenture debt and obligations under capital lease comprised as follows:

	2010	2009
Municipal Tax Supported Debentures	$ 66,152	$ 70,862
Capital Lease	17	102
	$ 66,169	$ 70,964

Debenture debt has been issued on the credit and security of the City. Debentures are held by the Alberta Capital Finance Authority. Debenture interest is payable, before Provincial subsidy, at rates ranging from 3.344% to 9.75% per annum. The debentures are payable in annual or semi-annual amounts and mature in periods ranging from 2011 to 2028.

Capital leases have been issued on the credit and security of the City at large. The capital leases bear interest between 0% and 20.1% (2009 – 0% and 20.1%) and mature in 2011.

The City has an operating line of credit with its bank of $5,000 (2009 - $5,000). This credit facility bears interest at prime minus 0.25% and was not drawn on at December, 31 2010.

The Province of Alberta currently provides an interest subsidy in the form of an interest subsidization grant on eligible debenture issues. Subsidies are expected to continue for the full duration of all debt issued prior to March 31, 1982, as follows:

Period of Debenture Issue	Maximum Interest Rate Payable After Provincial Subsidy
January 1, 1974 – March 31, 1980	9.6%
April 1, 1980 – March 26, 1981	10.4%
March 27, 1981 – March 31, 1982	11.6%

Interest on long-term debt of $3,241 (2009 - $3,377) is recorded in the Statement of Operations and Accumulated Surplus.

b. Long-term debt principal and interest amounts due in each of the next five years and thereafter are as follows:

	Principal	Interest	Total
2011	$ 4,979	$ 3,084	$ 8,063
2012	4,368	2,830	7,198
2013	3,963	2,601	6,564
2014	3,588	2,412	6,000
2015	3,755	2,246	6,001
Thereafter	45,516	12,015	57,531
	$ 66,169	$ 25,188	$ 91,357

4. LONG-TERM DEBT (cont'd)

c. Debt Limits

Provincial legislation requires that debt and debt limits, as defined in *Alberta Regulation 255/2000* for the City of St. Albert be disclosed as follows:

	2010	2009
Maximum Allowable Debt	$ 196,512	$ 188,201
Total Debt and Capital Lease	$ 66,169	$ 70,964
Percentage Used	34%	38%
Maximum Allowable Debt Service	$ 32,752	$ 31,367
Annual Payments on Existing Debt	$ 8,063	$ 8,142
Percentage Used	25%	26%

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in *Alberta Regulation 255/2000*) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are a conservative guideline used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the City, rather, the financial statements must be interpreted as a whole.

5. LANDFILL LIABILITY

Alberta environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, plumbing of groundwater and leachates from the sites, and ongoing environmental monitoring, site inspections and maintenance. The City received an Environment Canada order to undertake additional capping and grading measures in 2005 to prevent leaching into the Sturgeon River from its landfill. The City is continuing with its ongoing monitoring program of the former landfill and sewage lagoons in Riel Park including the submission of reports to Environment Canada. The groundwater monitoring of the site has been ongoing since 1999 and the program was expanded in June 2004 in consultation with the regulators. A Site Management Alternative report was completed in December 2005 and the City met with the regulators to discuss the alternatives and the recommended action plan. The action plan includes objectives that will maintain the integrity of the containment berms, minimize the generation of leachate and continued monitoring of the groundwater.

The City's estimated total liability is based on the sum of discounted future cash flows for post-closure activities from 2009 to 2013 using a discount rate of 3.213% based on the Alberta Finance Authority 10 year rate stated at January 1, 2011 (2009 – 3.636%).

	2010	2009
Estimated Closure Costs	$ 3,630	$ 5,001
Estimated Post-Closure Costs	225	157
	$ 3,855	$ 5,158

During the year, the City paid $2,973 (2009 - $117) of costs related to the landfill closure and post closure liability. Accretion expense recorded in 2010 was $144 (2009 - $144). During 2010 stage 2 of the landfill remediation was completed. In December 2010 the City obtained a revised cost estimate to complete phases 3 and 4 of the remediation. The landfill liability has been revised to reflect the new estimate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2010 (in thousands of dollars)

6. TANGIBLE CAPITAL ASSETS

2010

	Building Improvement	Library Collections	Leasehold Improvement	Land Improvement	Engineered Structures	Buildings	Machinery & Equipment	Land	Vehicles	Assets Under Construction	Total
Cost:											
Balance Beginning of Year	$ 420	$ 1,821	$ 306	$ 36,286	$ 443,063	$ 123,463	$ 20,539	$ 319,578	$ 35,947	$ 4,993	$ 986,416
Acquisitions	961	403	-	5,666	14,913	3,745	2,057	4,590	1,771	(306)	33,800
Disposals	-	(314)	-	-	-	-	(113)	(80)	(3,033)	-	(3,540)
Balance End of Year	**1,381**	**1,910**	**306**	**41,952**	**457,976**	**127,208**	**22,483**	**324,088**	**34,685**	**4,687**	**1,016,676**
Accumulated Amortization											
Balance Beginning of Year	(6)	(852)	(210)	(13,449)	(192,371)	(44,175)	(12,721)	-	(9,875)	-	(273,659)
Amortization Expense	(25)	(373)	(39)	(1,732)	(9,922)	(2,577)	(1,512)	-	(1,936)	-	(18,116)
Disposals	-	314	-	-	-	-	91	-	2,461	-	2,866
Balance End of Year	**(31)**	**(911)**	**(249)**	**(15,181)**	**(202,293)**	**(46,752)**	**(14,142)**	**-**	**(9,350)**	**-**	**(288,909)**
Net Book Value End of Year	**$ 1,350**	**$ 999**	**$ 57**	**$ 26,771**	**$ 255,683**	**$ 80,456**	**$ 8,341**	**$ 324,088**	**$ 25,335**	**$ 4,687**	**$ 727,767**

2009 (Restated Note 11)

	Building Improvement	Library Collections	Leasehold Improvement	Land Improvement	Engineered Structures	Buildings	Machinery & Equipment	Land	Vehicles	Assets Under Construction	Total
Cost											
Balance Beginning of Year	$ -	$ 1,665	$ 258	$ 32,681	$ 414,053	$ 123,250	$ 18,601	$ 311,821	$ 27,952	$ 7,300	$ 937,581
Restatement (Note 11)	-	-	-	-	4,589	-	-	-	-	-	4,589
Beginning Balance Restated	-	1,665	258	32,681	418,642	123,250	18,601	311,821	27,952	7,300	942,170
Acquisitions	420	426	48	3,605	24,421	213	2,407	7,962	10,084	(2,307)	47,279
Disposals	-	(270)	-	-	-	-	(469)	(205)	(2,089)	-	(3,033)
Balance End of Year	**420**	**1,821**	**306**	**36,286**	**443,063**	**123,463**	**20,539**	**319,578**	**35,947**	**4,993**	**986,416**
Accumulated Amortization											
Balance Beginning of Year	-	(773)	(172)	(11,910)	(182,321)	(41,408)	(11,601)	-	(9,880)	-	(258,065)
Restatement (Note 11)	-	-	-	-	(546)	-	-	-	-	-	(546)
Beginning Balance Restated	-	(773)	(172)	(11,910)	(182,867)	(41,408)	(11,601)	-	(9,880)	-	(258,611)
Amortization Expense	(6)	(349)	(38)	(1,539)	(9,504)	(2,767)	(1,518)	-	(1,802)	-	(17,523)
Disposals	-	270	-	-	-	-	398	-	1,807	-	2,475
Balance End of Year	**(6)**	**(852)**	**(210)**	**(13,449)**	**(192,371)**	**(44,175)**	**(12,721)**	**-**	**(9,875)**	**-**	**(273,659)**
Net Book Value End of Year	**$ 414**	**$ 969**	**$ 96**	**$ 22,837**	**$ 250,692**	**$ 79,288**	**$ 7,818**	**$ 319,578**	**$ 26,072**	**$ 4,993**	**$ 712,757**

6. TANGIBLE CAPITAL ASSETS (cont'd)

a. Assets Under Construction

Assets under construction having a value of $4,687 (2009 - $4,993) have not been amortized. Amortization of these assets will commence when the assets are put into service.

b. Contributed Tangible Capital Assets

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is $4,536 (2009 - $6,976). This amount is comprised of roads infrastructure in the amount of $127 (2009 - $3,018), water and wastewater infrastructure in the amount of $4,409 (2009 - $3,714), and machinery and equipment in the amount of $0 (2009 - $244).

c. Works of Art and Historical Treasures

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

d. Write Down of Tangible Capital Assets

The write-down of tangible capital assets during the year was $0 (2009 - $0).

7. ACCUMULATED SURPLUS

Accumulated surplus consists of unrestricted and restricted amounts and invested in tangible capital assets as follows:

	2010	2009 (Restated Note 11)
General Surplus (Deficit)		
Arts & Heritage Foundation	$ 18	$ 99
City of St. Albert Accumulated Surplus	147	37
St. Albert Public Library	-	8
Capital Funding Timing on Projects	(1,642)	(2,432)
Utility Accumulated Deficit - Landfill	(3,803)	(5,106)
Total General Surplus (Deficit)	(5,280)	(7,394)
Restricted Surplus - Reserves (Schedule 1)	51,489	38,026
Invested in Tangible Capital Assets	661,598	641,793
Total Accumulated Surplus	$ 707,807	$ 672,425

The accompanying notes are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2010 (in thousands of dollars)

8. COMMITMENTS AND CONTINGENCIES

a. Annexation

On February 14, 2007 the Lieutenant Governor in Council approved the request of the City of St. Albert to annex land from Sturgeon County (County). Effective January 1, 2007 the City's boundaries were extended to include all of the land that St. Albert had requested. The City is obligated to pay the County $800 at a rate of $80 per year starting in 2009 and ending 2018. In addition, the City will pay tax sharing amounts to the County until 2011. The City paid $117 in 2010 ($132 in 2009) to Sturgeon County under this tax sharing agreement.

As of April 1, 2007 the City is responsible for the roadway maintenance and municipal services within the annexed area. The annexation brings within the boundaries of St. Albert the proposed alignment of the Ray Gibbon Drive.

b. Legal Claims

As at December 31, 2010, the City was involved in various legal disputes. While it is not possible to estimate the outcome of these disputes, it is believed that there will be no adverse effect on the City's financial position.

9. PROPERTY TAXES

Taxation revenue, reported on the Consolidated Statement of Operations and Accumulated Surplus, is made up of the following:

	2010 Budget (Note 14)	2010	2009
Taxation			
Real Property Taxes	$ 93,984	$ 93,075	$ 89,376
Linear Property Taxes	1,045	1,115	1,134
Government Grants in Place of Property Taxes	-	873	827
Total Taxation	95,029	95,063	91,337
Requisitions			
Alberta School Foundation Fund	16,813	16,813	16,211
St. Albert Protestant School District #6	7,477	7,477	7,397
Sturgeon Foundation Requisition	532	526	506
Other	464	446	484
Total Requisitions	25,286	25,262	24,598
Taxes Available for Municipal Purposes	$ 69,743	$ 69,801	$ 66,739

10. GOVERNMENT TRANSFERS

The City recognizes the transfer of government funding after the transfer has been authorized, and the expenses or revenues in the period that the events giving rise to the transfer occurred. The Government Transfers reported on the Consolidated Statement of Operations and Accumulated Surplus is:

	2010 Budget (Note 14)	2010	2009
Government Transfers for Operations			
Provincial Transfers	$ 4,519	$ 9,126	$ 5,948
Federal Transfers	-	56	118
Total Operating Transfers	4,519	9,182	6,066
Government Transfers for Capital			
Provincial Transfers	75,773	31,728	19,974
Federal Transfers	-	536	3,005
Total Capital Transfers	75,773	32,264	22,979
Total Government Transfers	$ 80,292	$ 41,446	$ 29,045

11. RESTATEMENT

In 2009, the City implemented PSAB section 3150 Tangible Capital Assets which required governments to record and amortize their tangible capital assets in their financial statements. When the City implemented this accounting policy change, 2008 engineered structures with a net book value totalling $4,043 were inadvertently excluded.

The effect of this correction was an additional $4,589 of costs and $546 in accumulated amortization added to engineered structures and an increase in amortization expense for 2009 of $187.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2010 (in thousands of dollars)

12. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer, and the designated officer is required by *Alberta Regulation 313/2000*. This information is not presented in thousands of dollars.

	Salaries	Benefits & Allowances	2010	2009
Mayor N. Crouse	$ 88,142	$ 8,001	$ 96,143	$ 95,259
Councillor L. Bracko	31,360	1,147	32,507	32,810
Councillor J. Burrows	26,233	3,667	29,900	35,361
Councillor L. Garritty	24,633	2,132	26,765	32,102
Councillor G. Jones	24,633	2,851	27,484	33,845
Councillor R. Lemieux	29,560	1,728	31,288	31,387
Councillor C. Watamaniuk	24,633	2,760	27,393	32,840
Councillor W. Brodhead	4,927	170	5,097	-
Councillor C. Heron	4,927	134	5,061	-
Councillor C. MacKay	4,927	483	5,410	-
Councillor M. Parker	4,927	589	5,516	-
Chief Administrative Officer	201,990	36,077	238,067	242,036
Designated Officer	123,142	29,988	153,130	148,944

a. Salaries

Salaries include regular base pay and per diems.

b. Benefits and Allowances

Employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, Canada Pension Plan, Employment Insurance, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships, and car allowances.

13. PENSION PLANS

a. Local Authorities Pension Plan

Approximately 564 (2009 – 562) employees of the City participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The plan is financed by employer and employee contributions and investment earnings of the LAPP Fund.

The City is required to make current service contributions to the Plan of 9.06% (2009 – 8.46%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.53% (2009 – 11.66%) on pensionable earnings above this amount. Employees of the City are required to make current service contributions of 8.06% (2009 – 7.46%) of pensionable salary up to the year's maximum pensionable salary and 11.53% (2009 – 10.66%) on pensionable salary above this amount.

Total contributions by the City to the Local Authorities Pension Plan in 2010 were $3,843 (2009 - $3,219). Total contributions by the employees of the City of St. Albert to the Local Authorities Pension Plan in 2010 were $3,466 (2009 - $2,892). At December 31, 2009, the plan reported the value of its assets at $15.4 billion (2008 - $13.5 billion) and disclosed an actuarial deficiency of $4.0 billion (2008 – $4.4 billion). Plan asset and actuarial deficiency data as at December 31, 2010 were not yet available.

13. PENSION PLANS (cont'd)

b. APEX

The APEX supplementary pension plan, an Alberta Urban Municipalities Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the "Alberta Employment Pension Plans Act", commenced on January 1, 2004. This plan provides supplementary pension benefits to a prescribed class of employees (25 (2009 - 23) beneficiaries). The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and the City. The employees and the City are required to make current service contributions to APEX of 2.5% and 3.0%, respectively, of pensionable earnings up to $125 (2009 - $122).

Total current service contributions by the City to APEX in 2010 were $81 (2009 – $87). Total current service contributions by the employees of the City were $68 (2009 – $72).

The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service, management's best estimate of salary and benefit escalation, and retirement ages of employees. The cost of post-retirement benefits are fully funded.

As at December 31, 2010 the APEX supplementary pension plan has vested with approximately two-thirds of eligible employees.

c. MuniSERP

The MuniSERP supplementary overcap retirement plan extend LAPP, and APEX pension benefit levels beyond the Canada Revenue Agency maximum. The plan commenced on January 1, 2003, and provides supplementary benefits to a prescribed class of employees (25 (2009 – 23) beneficiaries). MuniSERP supplements APEX and LAPP and is a voluntary, non-contributory, non-registered supplementary employee retirement plan.

The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service, management's best estimate of salary and benefit escalation, and retirement ages of employees. At January 1, 2011, an actuarial valuation has been completed along with corresponding disclosure of designated assets.

The following presents the MuniSERP obligation as at December 31, 2010:

	2010	2009
Accrued Benefit Obligation		
Balance, Beginning of Year	$ 216	$ 186
Current Service Cost and Interest Cost	102	30
Balance, End of Year	$ 318	$ 216

There are no defined benefit plan assets.

The significant actuarial assumptions in measuring the City's accrued benefit obligation are as follows.

	2010	2009
Discount Rate	6.5%	6.5%
Rate of Compensation Increase	4.5%	4.5%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2010 (in thousands of dollars)

14. BUDGET FIGURES

The 2010 budget figures which appear in these financial statements have not been audited. Budgets established for capital acquisitions and related financing are calculated on a project-oriented basis. As these transactions may be carried out over one or more years, they are not directly comparable with current year actual amounts.

The unaudited budget data presented in these consolidated financial statements is based upon the 2010 operating and capital budgets approved by Council. Amortization, contributed assets and gain/loss on sale of tangible capital assets were not contemplated in development of the budget and, as such, has not been included.

The table below reconciles the consolidated annual surplus to the City's operating surplus based on the methods used in preparing its fiscal plan.

	2010 Budget	2010	2009
Consolidated Annual Surplus	$ 94,600	$ 35,362	$ 33,568
Government Transfers for Capital	(75,773)	(32,264)	(22,979)
Restricted Surplus used in the Acquisition of Tangible Capital Assets	(11,906)	(10,630)	(11,562)
Contributed Assets	-	(4,536)	(6,976)
Repayment of Long-Term Debt	(4,988)	(4,795)	(4,649)
Other Revenues Used in the Acquisition of Tangible Capital Assets	-	(907)	(369)
Developer Contributions and Levies	(1,933)	(693)	(4,392)
Loss (Gain) on Sale of Tangible Capital Assets	-	427	(161)
Amortization	-	18,116	17,523
Operating Surplus	$ -	$ 100	$ 3

15. COMPARATIVE FIGURES

Certain elements of the 2009 Financial Statements have been reclassified to reflect the changes in presentation for 2010.

16. SEGMENTED INFORMATION

Segmented information has been identified based upon lines of service provided by the City. City services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

a. General Services

The City's general services include its corporate functions, such as finance, information technology, human resources, taxation and assessment, legislative operations, and common and fiscal services.

b. Protective Services

The City contracts with the Royal Canadian Mounted Police (RCMP) for police protection, and holds a contract through Alberta Health Services to provide emergency medical services within the community. The City also operates a municipal fire department and provides bylaw enforcement services.

c. Recreation and Parks

The City owns and operates over 400 hectares of parkland within the municipal boundary, including large park systems such as the Red Willow Park and numerous community and neighbourhood parks or playgrounds. The City also provides a variety of recreational programs and services to residents on a year round basis.

d. Utility Operations (Schedule 2)

Four utilities – water, wastewater, storm, and solid waste/recycling – are administered directly by the City. While these utilities are funded independently from municipal operations as per the City's 100 Year Utility Rate Model, financial results are included with the City.

e. Roadway Services

The City provides a number of maintenance and related services for the community's streets, sidewalks, lighting, and equipment pool. Costs related to summer and winter road maintenance are also captured here.

f. Transit Services

St. Albert Transit is a municipally-owned and operated transit service offering local and commuter routes for riders. St. Albert Transit operates on a subsidized fee for service basis.

g. Cultural services

St. Albert is renowned for its first class cultural programs, services, and events. International festivals such as the St. Albert Children's Festival highlight this area.

h. Planning Services

To ensure that the community is well planned and attractive for investment, the City is active in the area of land use planning, engineering, and economic development.

i. Social Services

Social services include those provided by the City's Family and Community Support Services department, in addition to costs related to the St. Albert Cemetery and other community supports.

j. St. Albert Public Library

The St. Albert Public Library was established in 1961 by St. Albert's Town Council under the provisions of the Provincial Libraries Act. The Library is governed by a separate Board, and provides programs and service to the residents of St. Albert and surrounding areas.

k. Arts & Heritage Foundation

St. Albert's Arts and Heritage Foundation (AHF) manages the Profiles Public Art Gallery, the Museé Héritage Museum, and various other local heritage sites. The AHF also offers programs and exhibitions and ensures that historic buildings and significant artifacts are preserved.

The following tables report the financial operations for each of the above mentioned segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2010 (in thousands of dollars)

16. SEGMENTED INFORMATION (cont'd)

	2010											
	General Services	Protective Services	Recreation & Parks	Utility Operations	Roadway Services	Transit Services	Cultural Services	Planning Services	Social Services	St. Albert Public Library	Arts & Heritage Foundation	Total
Revenue												
Property Taxes	$ 69,801	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	69,801
Government Transfers	859	739	3,719	5,287	21,458	3,191	1,380	2,824	1,298	490	200	41,446
Sales and User Fees	317	1,164	8,442	23,704	342	3,375	980	768	291	314	274	39,911
Contributed Assets	-	-	-	4,409	127	-	-	-	-	-	-	4,536
Fines and Penalties	671	3,488	-	84	-	-	-	-	-	-	-	4,243
Other Revenue	253	2,383	928	-	14	-	729	6	-	55	129	4,097
Licenses and Permits	501	321	-	-	12	-	-	871	-	-	-	1,705
Franchise Fees	1,031	-	-	-	-	-	-	-	-	-	-	1,031
Investment Income	432	2	56	139	88	52	5	1	-	6	-	773
Developer Contributions and Levies	-	-	469	460	(226)	-	-	-	-	-	-	693
Gain (Loss) on Sale of Tangible Capital Assets	-	(62)	3	-	19	(401)	-	14	-	-	-	(427)
Total Revenue	73,865	8,035	13,211	34,073	21,833	6,217	3,094	4,434	1,589	865	603	167,809
Expenses												
Salaries, Wages and Benefits	9,374	14,394	11,123	2,711	6,683	1,706	2,591	2,245	1,036	2,518	1,177	56,537
Contracted and General Services	1,061	1,719	1,910	8,006	2,410	5,258	2,393	671	178	196	193	24,095
Amortization	1,085	798	3,149	3,460	7,611	1,496	29	5	2	452	30	18,116
Purchases from Other Governments	-	5,384	-	8,479	-	-	-	-	-	-	-	13,863
Materials, Goods and Utilities	334	831	3,068	867	3,386	1,895	704	43	47	385	279	11,639
Transfers to Individuals and Organizations	57	-	735	-	25	-	438	1,546	1,402	-	-	4,203
Interest on Long-Term Debt	7	72	1,725	-	1,437	-	-	-	-	-	-	3,241
Other Expenses (Recovery)	169	661	1,240	893	(2,573)	43	29	83	12	2	174	733
Total Expenses	12,087	23,859	22,950	25,416	18,969	10,297	6,183	4,593	2,677	3,553	1,853	132,427
Annual Surplus (Deficit)	$ 61,778	$ (15,824)	$ (9,739)	$ 8,657	$ 2,874	$ (4,080)	$ (3,089)	$ (159)	$ (1,088)	$ (2,688)	$ (1,250)	35,382

16. SEGMENTED INFORMATION (cont'd)

	2009 (Restated - Note 11)											
	General Services	Protective Services	Recreation & Parks	Utility Operations	Roadway Services	Transit Services	Cultural Services	Planning Services	Social Services	St. Albert Public Library	Arts & Heritage Foundation	Total
Revenue												
Property Taxes	$ 66,739	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	66,739
Government Transfers	888	2,305	7,252	390	9,381	6,186	230	309	1,520	423	161	29,045
Sales and User Fees	293	1,143	7,798	22,526	147	3,036	991	433	264	312	258	37,201
Contributed Assets	-	-	244	3,714	3,018	-	-	-	-	-	-	6,976
Fines and Penalties	592	2,827	-	90	-	-	-	-	-	-	-	3,509
Other Revenue	187	2,026	436	-	13	-	674	-	3	90	107	3,536
Licenses and Permits	461	325	-	-	12	-	-	1,072	-	-	-	1,870
Franchise Fees	1,132	-	-	-	-	-	-	-	-	-	-	1,132
Investment Income	282	10	42	43	89	67	5	5	-	2	-	545
Developer Contributions and Levies	-	-	366	571	3,455	-	-	-	-	-	-	4,392
Gain (Loss) on Sale of Tangible Capital Assets	412	-	-	-	24	(275)	-	-	-	-	-	161
Total Revenue	70,986	8,636	16,138	27,334	16,139	9,014	1,900	1,819	1,787	827	526	155,106
Expenses												
Salaries, Wages and Benefits	7,813	13,115	10,896	3,307	6,085	1,687	2,332	2,294	910	2,409	1,040	51,888
Contracted and General Services	660	1,590	1,926	5,641	3,095	5,137	1,243	529	190	198	215	20,424
Amortization	1,390	689	2,933	3,348	7,284	1,396	17	6	2	432	26	17,523
Purchases from Other Governments	-	5,486	-	7,361	-	-	-	-	-	-	-	12,847
Materials, Goods and Utilities	749	877	3,041	934	3,257	1,659	520	37	31	143	277	11,525
Transfers to Individuals and Organizations	49	-	473	-	29	-	485	482	1,645	-	-	3,163
Interest on Long-Term Debt	23	89	1,845	1	1,419	-	-	-	-	-	-	3,377
Other Expenses (Recovery)	290	722	1,227	966	(2,590)	29	29	50	8	2	58	791
Total Expenses	10,974	22,569	22,341	21,558	18,579	9,908	4,626	3,398	2,786	3,184	1,616	121,538
Annual Surplus (Deficit)	$ 60,012	$ (13,932)	$ (6,203)	$ 5,776	$ (2,440)	$ (894)	$ (2,726)	$ (1,579)	$ (999)	$ (2,357)	$ (1,090)	33,568

December 31, 2010

SCHEDULE 1 - SCHEDULE OF RESTRICTED SURPLUS RESERVES

For the Year Ended December 31, 2010 (in thousands of dollars)

	2009	Contributions	Reductions	2010
Operating Reserves				
General Government	$ 5,578	$ 2,609	$ (2,462)	$ 5,725
Arts & Heritage Foundation	199	17	-	216
Children's Festival	202	27	-	229
Museum	77	9	-	86
Library	67	-	-	67
Total Operating Reserves	6,123	2,662	(2,462)	6,323
Capital Reserves				
General Government	22,694	23,120	(11,391)	34,423
Utilities	9,014	3,938	(2,478)	10,474
Library	195	74	-	269
Total Capital Reserves	31,903	27,132	(13,869)	45,166
Total Restricted Surplus Reserves	$ 38,026	$ 29,794	$ (16,331)	$ 51,489

December 31, 2010

SCHEDULE 2 - UTILITY OPERATIONS

For the Year Ended December 31, 2010 (in thousands of dollars)

	Water	Wastewater	Storm	Waste	2010	2009
Revenue						
Government Transfers	$ 495	$ 2,475	$ 220	$ 2,097	$ 5,287	$ 390
Sales and User Fees	8,317	8,796	2,750	3,841	23,704	22,526
Contributed Assets	1,497	962	1,950	-	4,409	3,714
Fines and Penalties	32	33	9	10	84	90
Investment Income (Loss)	20	80	61	(22)	139	43
Developer Agreements and Levies	135	315	-	-	450	571
Total Revenue	10,496	12,661	4,990	5,926	34,073	27,334
Expenses						
Salaries, Wages, and Benefits	1,384	1,359	228	740	3,711	3,307
Contracted and General Services	1,196	1,683	484	4,643	8,006	5,641
Amortization	1,575	842	1,035	8	3,460	3,348
Purchases from Other Governments	3,919	4,560	-	-	8,479	7,361
Materials, Goods, and Utilities	615	170	68	14	867	934
Interest on Long-Term Debt	-	-	-	-	-	1
Other Expenses	184	206	40	463	893	966
Total Expenses	8,873	8,820	1,855	5,868	25,416	21,558
Annual Surplus (Deficit)	$ 1,623	$ 3,841	$ 3,135	$ 58	$ 8,657	$ 5,776

STATISTICAL SECTION

General Statistical Information
General Financial Information

GENERAL STATISTICAL INFORMATION

(Unaudited)

	2010	2009	2008	2007	2006
Population	60,138	58,940	58,501	58,296	57,719
Number of Dwelling Units	23,306	22,843	22,629	22,475	21,909
Municipal Area (in hectares)	4,966	4,966	4,966	4,966	3,606
Building Permits Value (in thousands)					
Residential	$ 82,342	$ 80,763	$ 52,272	$ 125,260	$ 151,558
Commercial	9,741	10,173	24,732	32,672	26,619
Industrial	21,975	41,548	8,869	7,904	13,480
Institutional	2,650	12,605	18,270	29,825	3,902
	$ 116,708	$ 145,089	$ 104,143	$ 195,661	$ 195,559
Building Permits Issued					
Residential	609	625	536	811	891
Commercial	60	54	66	71	85
Industrial	37	33	40	44	34
Institutional	16	19	24	11	10
	722	731	666	937	1,020
Park Area (in hectares)	414	409	399	399	399
Tax Collection Rate (percentage)	97.28	97.89	98.19	98.12	98.12
Long Term Debt					
Total Long Term Debt (in thousands)	$ 66,169	$ 70,964	$ 71,809	$ 68,299	$ 46,547
Debt Per Capita	$ 1,100	$ 1,204	$ 1,227	$ 1,172	$ 806
Retired Within 5 Years (percentage)	31.0	31.0	30.0	31.0	36.5
Retired Thereafter (percentage)	69.0	69.0	70.0	54.1	58.0
Residential Tax Increase (percentage)	2.79	4.55	5.90	6.40	2.98
Quality of Life Satisfaction (percentage)	98	97	91	96	97
Consumer Price Index Change					
Alberta	1.0%	(0.1)%	1.2%	5.0%	3.9%
Canada	1.8%	0.3%	2.3%	2.2%	2.0%
Unemployment Rate					
Alberta	5.5%	6.6%	4.4%	3.5%	3.4%
Canada	7.8%	8.3%	6.1%	6.0%	6.3%

Notes:

- *Consumer Price Index and Unemployment Rate obtained from Statistics Canada*
- *Provincial parks or urban reserves not included within Park Area calculation*
- *2008 and 2010 populations based on municipal census results*
- *2007 and 2009 populations based on corporate assumptions*
- *2006 population based on a federal census result*

Taxation and Assessment

FOR THE YEARS ENDED DECEMBER 31, 2006 – 2010

	2010	2009	2008	2007	2006
Taxation (in mills)					
Municipal – Residential	**7.504**	6.788	5.840	8.592	9.777
Municipal – Non-Residential	**12.155**	10.960	10.740	13.405	14.529
Public School (Catholic)					
Residential	**2.657**	2.443	2.017	3.242	3.857
Non-Residential	**3.560**	3.210	3.645	4.894	5.810
Separate School (Protestant)					
Residential	**2.657**	2.443	2.017	3.242	3.857
Non-Residential	**3.560**	3.210	3.645	4.894	5.810
Assessment (percentage change)					
Residential – Market Value	**-6.64**	-10.47	58.74	19.82	4.82
Residential – Growth	**1.18**	1.13	3.23	3.85	3.70
Non-Residential – Market Value	**-6.73**	9.65	21.44	14.18	1.96
Non-Residential – Growth	**0.33**	5.09	10.31	5.65	4.39

Taxation and Requisitions

	2010	2009	2008	2007	2006
Taxation					
Real Property Taxes	**$ 93,075**	$ 89,376	$ 83,380	$ 76,709	$ 70,730
Linear Property Taxes	**1,115**	1,134	1,140	1,323	1,300
Government Grants in Place of Property Taxes	**873**	827	756	809	812
Special Assignments and Local Imp. Taxes	**-**	-	-	25	205
	95,063	91,337	85,276	78,866	73,047
Requisitions					
Alberta School Foundation Fund	**16,813**	16,211	14,790	14,413	13,550
St. Albert Protestant Separate School District #6	**7,477**	7,397	7,043	7,025	6,950
Sturgeon Foundation Requisition	**526**	484	465	428	410
Other	**446**	506	357	326	216
	25,262	24,598	22,655	22,192	21,126
Taxes Available for Municipal Purposes	**$ 69,801**	$ 66,739	$ 62,621	$ 56,674	$ 51,921

GENERAL FINANCIAL INFORMATION

(Unaudited)

Taxable Assessment and Government Grants in Place of Property Taxes

FOR THE YEARS ENDED DECEMBER 31, 2006 – 2010 (in thousands)

	2010	2009	2008	2007	2006
Taxable Assessment					
Residential	**$7,852,882**	$8,313,413	$9,181,595	$5,606,431	$4,501,491
Commercial	**578,046**	631,404	564,851	415,433	349,444
Industrial	**248,456**	248,782	193,571	134,085	98,832
Special and Other	**81,683**	91,403	82,938	74,128	69,400
	8,761,067	9,285,002	10,022,955	6,230,077	5,019,167
Government Grants in Place of Property Taxes	**58,027**	60,809	55,539	42,093	38,079
Total Taxable Assessment and Government Grants in Place of Property Taxes	**$8,819,094**	$9,345,811	$10,078,494	$6,272,170	$5,057,246
Total Taxable Assessment and Government Grants in Place of Property Taxes (percentage)					
Residential	**89.0%**	89.0%	91.1%	89.4%	89.0%
Commercial	**6.6%**	6.8%	5.6%	6.6%	6.9%
Industrial	**2.8%**	2.7%	1.9%	2.1%	1.9%
Special and Other	**0.9%**	1.0%	0.9%	1.2%	1.4%
Grants in Place	**0.7%**	0.7%	0.6%	0.7%	0.8%
Residential / Non-Residential Assessment Split *					
Residential	**89.1%**	89.0%	91.2%	89.4%	89.0%
Non-Residential	**10.9%**	11.0%	8.9%	10.6%	11.0%

* With grant in place allocated between residential and non-residential.

Tax Collection

FOR THE YEARS ENDED DECEMBER 31, 2006 – 2010 (In thousands)

	2010	2009	2008	2007	2006
Current Levy	$ 95,063	$ 91,337	$ 85,276	$ 78,866	$ 73,047
Taxes Receivable					
Current	$ 1,512	$ 1,407	$ 1,044	$ 806	$ 739
In Arrears for More than One Year	640	428	278	249	262
	$ 2,152	$ 1,835	$ 1,324	$ 1,055	$ 1,001
Taxes Outstanding, Before Allowance (percentage)					
Current	1.6	1.5	1.2	1.0	1.0
In Arrears for More than One Year	0.7	0.5	0.3	0.3	0.4

Note that thirteen principle taxpayers make up 5% of the 2010 tax levy; therefore, no undue reliance is placed upon any one taxpayer.

Total Long-Term Debt and Long-Term Debt Servicing Limits

FOR THE YEARS ENDED DECEMBER 31, 2006 – 2010 (In thousands)

	2010	2009	2008	2007	2006
Long Term Debt					
Tax Supported	$ 66,169	$ 70,964	$ 71,777	$ 68,239	$ 46,436
User Supported	-	-	-	-	25
Utility Rates Supported	-	-	32	60	86
	$ 66,169	$ 70,964	$ 71,809	$ 68,299	$ 46,547
Total Long Term Debt					
Maximum Allowable Annual Debt Servicing	$ 32,752	$ 31,367	$ 29,383	$ 27,983	$ 24,403
Annual Servicing on Existing Debt	8,063	8,142	8,167	7,976	6,352
Amount of Limit Used (percentage)	25	26	28	29	26

GENERAL FINANCIAL INFORMATION

(Unaudited)

Restricted Surplus (Reserve) Balances

FOR THE YEARS ENDED DECEMBER 31, 2006 – 2010 (In thousands)

	2010	2009	2008	2007	2006
Operating Reserves					
General Government	$ 5,725	$ 5,578	$ 5,977	$ 5,340	$ 3,180
Arts & Heritage Foundation	216	199	264	235	226
Children's Festival	229	202	199	-	-
Museum	86	77	95	88	78
Utilities	-	-	72	235	230
Library	67	67	67	66	56
Servus Place	-	-	-	-	179
	6,323	6,123	6,674	5,964	3,949
Capital Reserves					
General Government	34,423	22,694	22,414	22,997	17,270
Utilities	10,474	9,014	5,337	4,619	5,463
Library	269	195	158	152	107
Servus Place	-	-	-	-	1,634
	45,166	31,903	27,909	27,768	24,474
Enterprise Reserves					
Servus Place	-	-	-	62	-
Total Restricted Surplus - Reserves	$ 51,489	$ 38,026	$ 34,583	$ 33,794	$ 28,423

Key Components of Financial Position

FOR THE YEARS ENDED DECEMBER 31, 2008 – 2010 (in thousands)

	2010	2009	2008
Total Financial Assets	$ 96,393	$ 81,299	$ 79,578
Total Financial Liabilities	118,036	122,904	125,498
Net Debt	(21,643)	(41,605)	(45,920)
Total Non-Financial Assets	729,450	714,029	680,734
Accumulated Surplus	$ 707,807	$ 672,424	$ 634,814
Key Components of Financial Assets Include:			
Cash and Cash Equivalents	37,551	50,272	69,479
Investments	48,040	19,063	166
Key Components of Financial Liabilities Include:			
Long-Term Debt	66,169	70,964	71,809
Key Components of Non-Financial Assets Include:			
Tangible Capital Assets	727,767	712,756	679,516
Key Components of Accumulated Surplus Include:			
Invested in Tangible Capital Assets	661,598	641,793	607,707
Restricted Surplus - Reserves	51,489	38,026	34,583

	2010	2009	2008
Acquisition of Tangible Capital Assets			
Building Improvements	$ 961	$ 420	$ -
Library Collections	403	426	389
Leasehold Improvements	-	48	10
Land Improvement	5,666	3,605	11,788
Engineered Structures	14,913	24,421	13,210
Buildings	3,745	213	12,044
Machinery and Equipment	2,057	2,407	1,180
Land	4,590	7,962	3,576
Vehicles	1,771	10,084	1,384
Assets Under Construction	(306)	(2,307)	1,908
Total Tangible Capital Asset Acquisitions	$ 33,800	$ 47,279	$ 45,489

GENERAL FINANCIAL INFORMATION

(Unaudited)

Revenue by Object, Expense by Function, and Annual Surplus

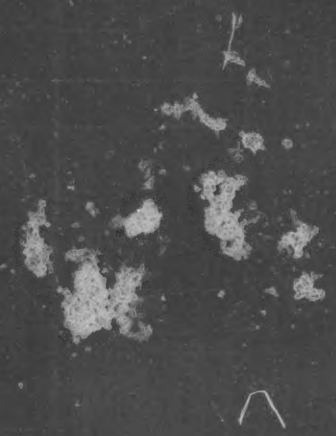
FOR THE YEARS ENDED DECEMBER 31, 2008 – 2010 (in thousands)

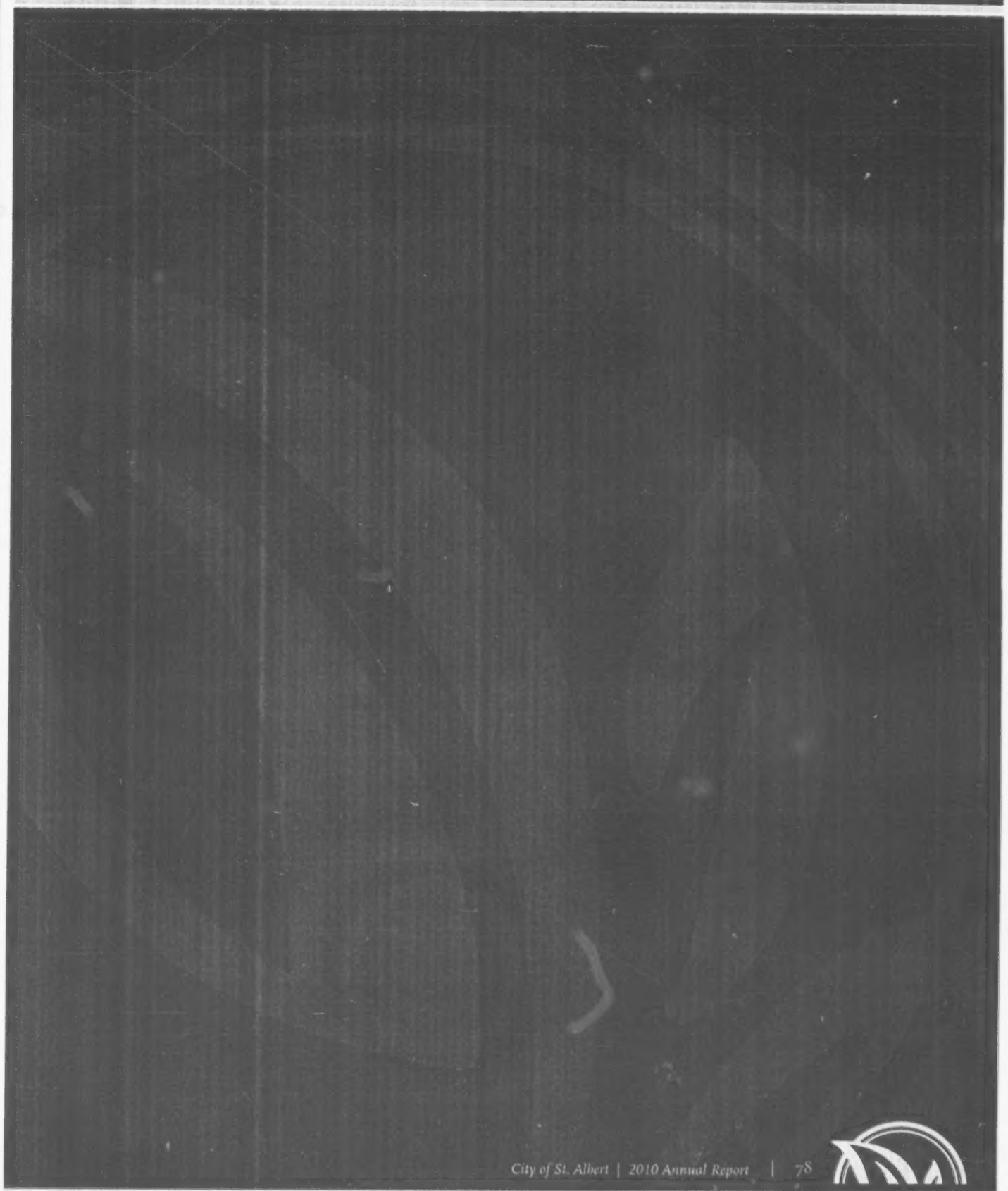
	2010	2009	2008
Revenue by Object			
Property Taxes	$ 69,801	$ 66,739	$ 62,621
Government Transfers	41,446	29,045	19,069
Sales and User Fees	39,911	37,201	33,419
Contributed Assets	4,536	6,976	15,109
Fines and Penalties	4,243	3,509	3,519
Other Revenue	4,097	3,536	1,426
Licenses and Permits	1,705	1,870	1,529
Franchise Fees	1,031	1,132	1,495
Investment Income	773	545	2,234
Developer Contributions and Levies	693	4,392	2,637
Gain on Sales of Land Held for Resale	-	-	2,543
Gain (Loss) on Sales of Tangible Capital Assets	(427)	161	(235)
Total Revenue by Object	167,809	155,106	145,366
Expense by Function			
Protective Services	23,859	22,568	18,092
Recreation and Parks	22,950	22,341	19,456
Utility Services	25,416	21,558	23,102
Transportation and Roadway Services	18,959	18,579	16,955
General Government Services	12,087	10,974	12,792
Transit Services	10,297	9,908	9,329
Cultural Services	11,589	9,426	7,652
Planning and Development Services	4,593	3,398	4,530
Family and Social Services	2,677	2,786	2,316
Total Expense by Function	132,427	121,538	114,224
Annual Surplus	35,382	33,568	31,142
Accumulated Surplus Beginning of Year	668,569	634,814	603,672
Restatement	3,856	4,043	-
Beginning Accumulated Surplus as Restated	672,425	638,851	603,672
Accumulated Surplus End of Year	$ 707,807	$ 672,425	$ 634,814

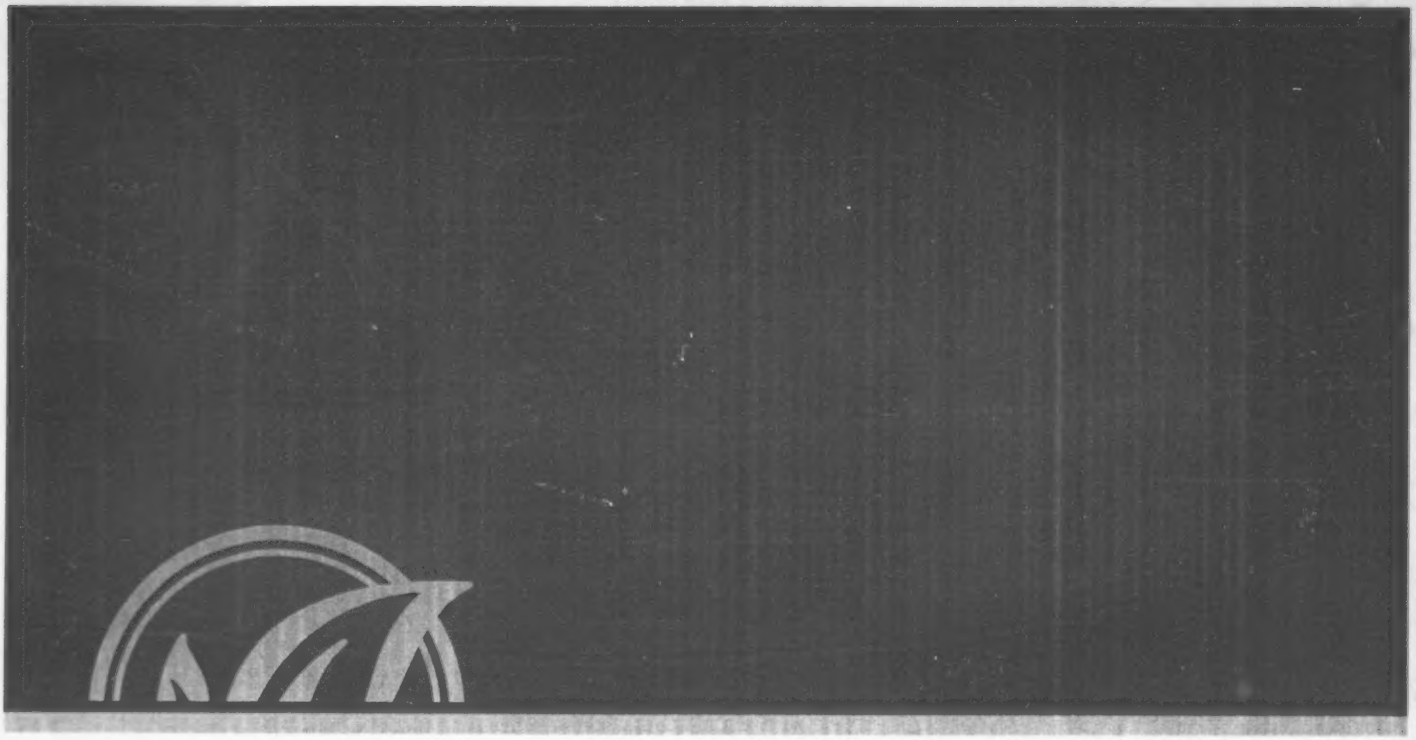
Expenses by Object

FOR THE YEARS ENDED DECEMBER 31, 2008 – 2010 (in thousands)

	2010	2009	2008
Salaries, Wages and Benefits	$ 56,537	$ 51,888	$ 45,870
Contracted and General Services	24,095	20,424	21,795
Amortization	18,116	17,523	16,340
Purchases from Other Governments	13,863	12,847	11,495
Materials, Goods and Utilities	11,639	11,525	11,555
Transfers to Individuals and Organizations	4,203	3,163	3,326
Interest on Long-Term Debt	3,241	3,377	3,362
Other Expenses	733	791	481
Total Expenses	$ 132,427	$ 121,538	$ 114,224







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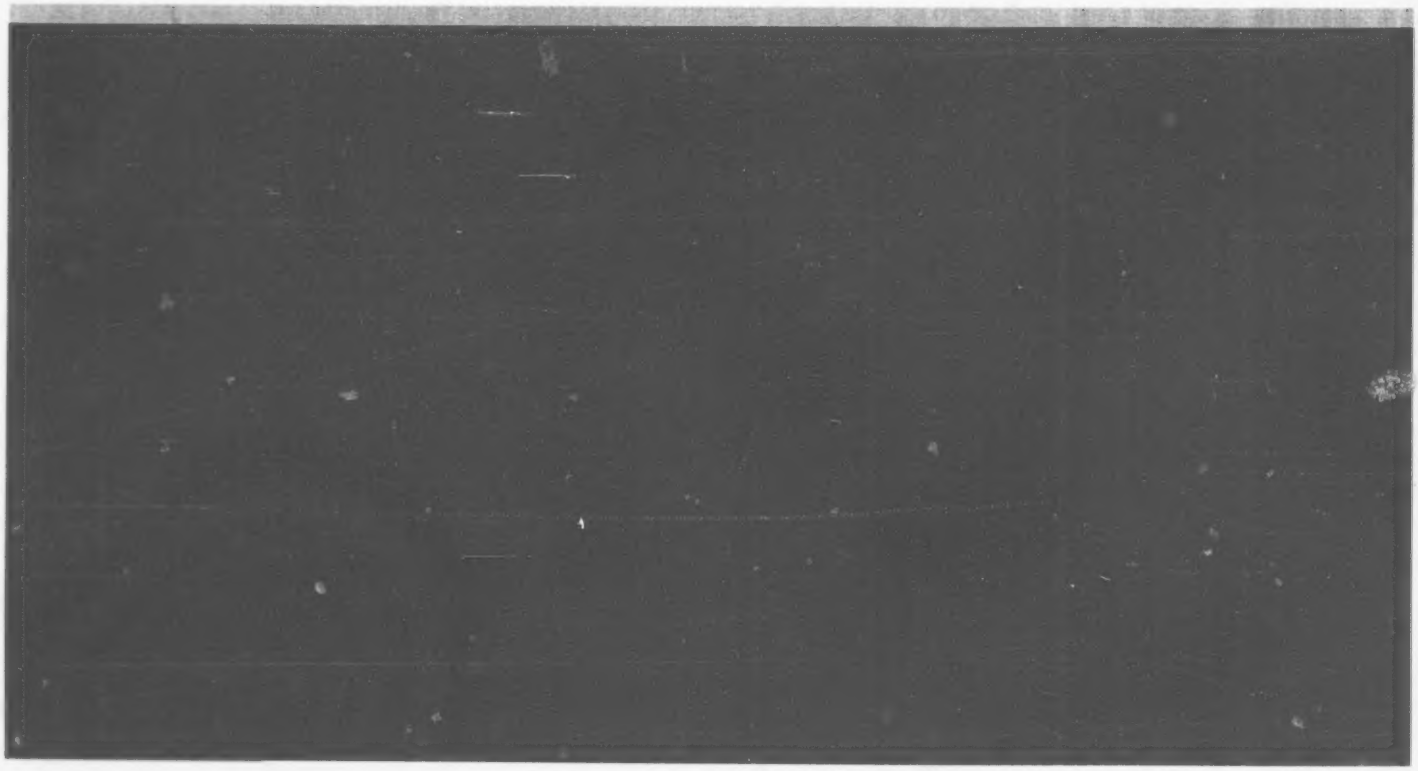

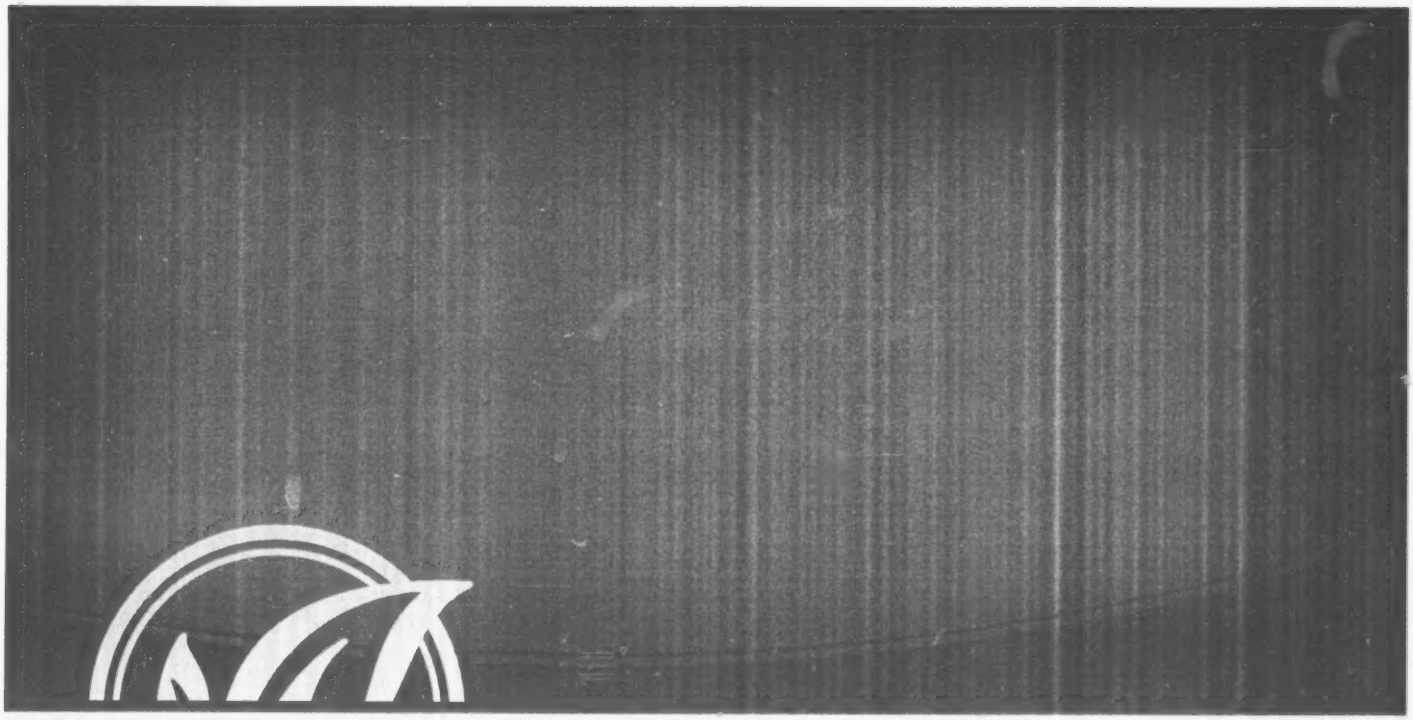

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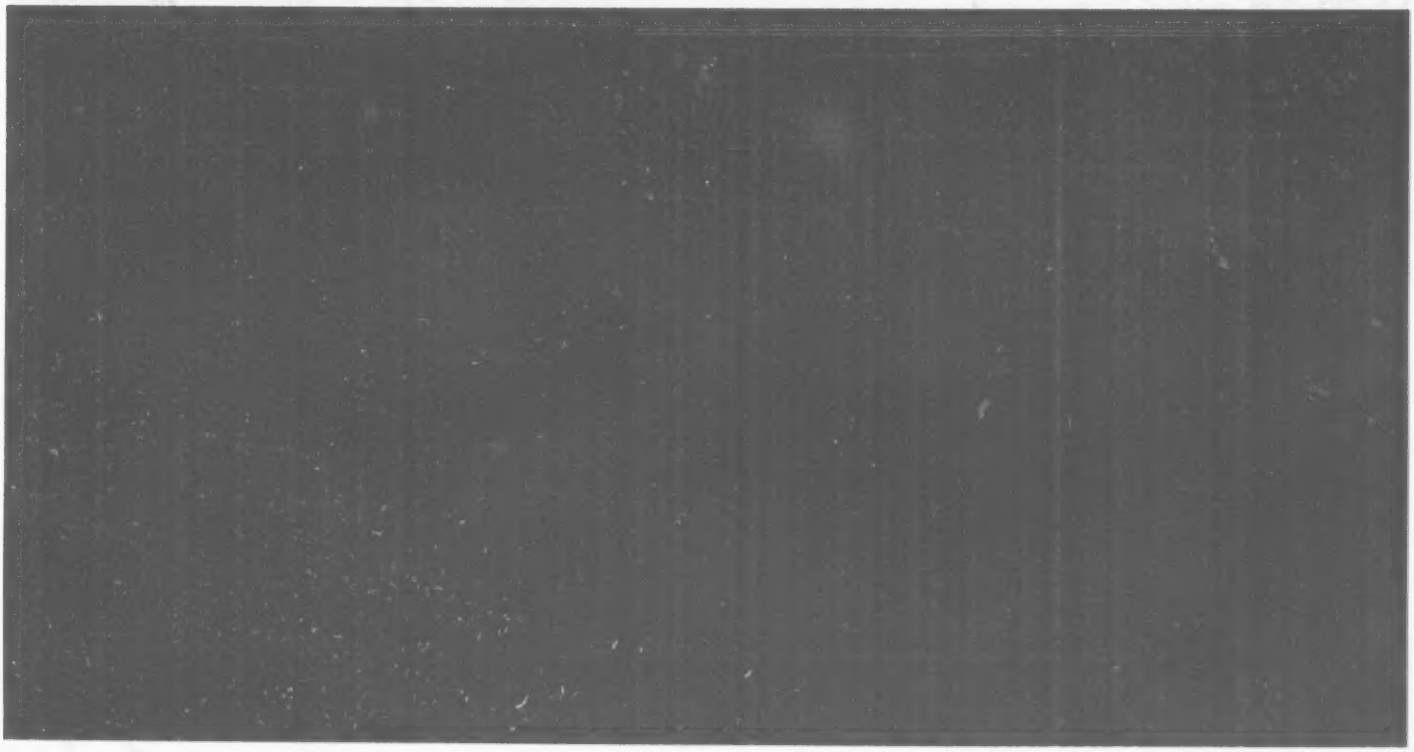
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